

JPRS-LAM-88-026  
19 JULY 1988



# ***JPRS Report***

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## **Latin America**

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**Air Link With Cuba May Be 'Signal' to United States**

32980173 Nassau *THE TRIBUNE* in English  
30 May 88 p 1

[Article by Athena Damianos: "Eyebrows Raised Over Cuba Air Link Proposal"]

[Text] An application from Cuba to begin air service here would be viewed by the Ministry of Foreign Affairs in the same light as an application from any other neighboring country, Bahamas Information Services said today.

BIS was responding to questions raised by *THE TRIBUNE* following an announcement Friday that Cuban and Bahamian officials are discussing regular Cubana Airlines flights between Nassau and Havana.

"When the application for the provisional licence is received the Civil Aviation Department of the Ministry of Transport would consider it on its merit," BIS said.

It pointed out that Cuba has diplomatic ties with the Bahamas.

The timing of the announcement by the Bahamas Government, which is under external pressure from the United States, has raised eyebrows.

Some observers feel that the Bahamas is sending a signal to the U.S. and using Cuba as a tool, notwithstanding the fact that the country's image has softened in recent years.

Others are watching with interest.

In 1986, Cuba appointed a "receiving" ambassador to the Bahamas, a move that irked U.S. officials in Nassau. The American Embassy stated at the time that Minister of Foreign Affairs Clement Maynard knew how the U.S. feels about Cuba's involvement in the Caribbean.

Cuba wants to resume the air link which once existed when the Bahamas was a colony and the service had been negotiated between Great Britain and Cuba, BIS said.

Cuba has been trying to reestablish the air service on a regular basis for about 10 years, but was rejected for diplomatic reasons.

No purpose has been given for the resumption of service, but the Bahamas would make a convenient "jump-off" point to get people in and out of the U.S.

A Cuban delegation met here this week with tourism and transportation officials to set guidelines for the airline's provisional licence.

An air charter outfit controlled by Lionel Carey, chairman of the left-wing Vanguard Party, would like to work in conjunction with Cubana Airlines, should it get permission to operate here, a spokesperson for the charter service said.

The only current air link between the Bahamas and Cuba is the Carey charter service which operates under Grand Bahamas Tours, which in turn is run by Helda Air.

Mr. Carey, his wife Wallace, and other unnamed partners have been advertising twice weekly flights from Freeport to Havana since December. A spokesperson said that the advertising has been by word of mouth and so far only three or four small charter groups have flown to Havana, although a broad cross section of people have shown interest in the service.

The charter service is offering two day/two night hotel accommodation, airfare and nightclub jaunts for \$550 per person.

A regular air service would put an end to the charter business, the spokesperson acknowledged.

Although there has been no formal contact with Cubana Airlines, the spokesperson said that the Careys would want to run the charter in conjunction with Cubana Airlines, picking up any excess passengers.

"It (regular service) would be a good thing from both sides. People are so closed-minded about the country (Cuba)," the spokesperson said.

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## 1989 Election Candidates, Platforms Discussed

### Parties' Situations Outlined

33480164a La Paz EL DIARIO in Spanish  
11 Jun 88 p 2

[Article by Floren Sanabria G.]

[Text] With the general elections only 11 months away, the political parties have begun gearing up for this important confrontation.

### The Parties

We should note, first of all, that the results of the municipal elections held last December did not in any way constitute a parameter that could reveal relative

strengths and therefore predict the outcome of these elections. The municipal contests were merely regional, and the voting was influenced primarily by personal interests or sympathies. Party obligations were ignored, since only capital or provincial officials were being elected. Moreover, some parties, particularly the Movement of the Revolutionary Left (MIR), ran candidates who were not members. This happened in La Paz, Oruro, Sucre, and other cities, where the candidates attracted the majority of votes due to their personal appeal. These votes will not be cast for the same parties in 1989, when the president of the republic will be elected.

### Numbers

The statistical table [Table 1] shows the results obtained in the last elections by the parties that will be running again in the upcoming contest.

Party	Table 1			
	General Elections 1979	General Elections 1980	General Elections 1985	Municipal Elections 1987
MNR	527,184	263,209	456,754	138,906
ADN	218,597	220,309	493,375	336,684
MIR	—	—	153,143	308,714
MBL	—	—	—	89,247
Vanguardia	—	—	72,197	72,974
Other Groups:				
MNRI	—	—	82,418	—
FSB	—	21,372	19,985	23,654
POR	—	—	13,712	—
PDC	—	—	24,079	—

It is easy to see the ascent of Nationalist Democratic Action (ADN), for example, which went from 218,597 votes in 1979 to 493,375 in 1985. This total fell in last year's municipal elections, when the party of Gen Banzer Suarez lost a good percentage of the support it had received from voters with no party affiliation.

On the other hand, the situation in the Revolutionary Nationalist Movement (MNR) is extremely delicate. While it is true that there was a "penalty vote" against the party, it was not the citizenry voting against the government that imposed the New Economic Policy; it was the MNR membership itself that felt betrayed after cooperating in the triumph of 1985 and receiving no reward whatsoever. The "penalty vote" by party members will certainly not be repeated in 1989, because these are national elections.

The MIR's situation is still different; it boosted its vote count considerably thanks to the momentary "effort" that brought independent candidates into the race, candidates who are now mayors. This effort will play no role at all in next year's elections, however.

### The Candidates

Bearing in mind these and other minor precedents, it is not difficult to draw a clear and quite accurate picture of the campaign that is now beginning.

### ADN

Last March Gen Banzer Suarez announced his presidential candidacy. "Yes, I want to be president, and I will be president," he asserted in a speech honoring the 9th anniversary of his party, addressing a huge crowd of his supporters.

"We kept on growing," he said, "and the ADN has become the largest party in Bolivia at this time." This statement is true, and we believe that the candidate's assertion will be fully confirmed in the next elections, although it is not possible to claim that he will obtain an absolute majority.

### MIR

The same cannot be said of the MIR; the results obtained by this party in the municipal elections, though putting it in second place, give no idea whatsoever of the number of party members or sympathizers. Another negative factor that will have a major influence on the future of the MIR and its candidate, Jaime Paz Zamora, is the fact that this group was a significant part of the Democratic and Popular Unity (UDP) government, which led the country into the difficult economic plight it now faces, revealing the incompetence of those who governed during that disastrous period.

## MNR

The MNR is currently in a compromised and somewhat uncertain position. The plunge in its vote count in the municipal elections is not a reflection of its overall popularity, but rather an incidental result that also revealed a repudiation for a candidate that did not suit the electorate's taste, as in the case of Mur in La Paz.

Nevertheless, the fact that Guillermo Bedregal is the most active candidate so far makes a victory by Paz Estenssoro's party very unlikely. The MNR rank and file do not support the present foreign minister, and the citizenry in general do not accept him either. He is not charismatic, and the public's rejection of his personality is an established fact.

Happily for the ruling party, nearly two dozen new candidates who are certainly more acceptable than "Minister Know-it-all" have emerged. Cases in point are Gonzalo Sanchez de Lozada, Nuflo Chavez Ortiz, Carlos Simons, Franco Guachalla, and perhaps another who will surface in time. Some of these candidates, of course, are merely running out of a desire to grab headlines, and even out of audacity.

## MBL

Antonio Aranibar, chief of the MBL, was one of the first to announce his candidacy. But his success will depend on whatever deals he is able to strike, and on the quantitative contribution his potential allies can make. The left is bankrupt, and as a whole it poses no threat to any of the three major parties. As an offshoot of the MIR, the MBL must seek support from other groups in order to participate in May's contest with any likelihood of success.

## Vanguard

Finally, the candidacy of Carlos Serrate Reich, founding leader of the 9 April Vanguard, must be taken into consideration even though he has not officially announced that he is running. What chance does he have? The party is working hard, given its recent organization and despite its feverish activity. In the last elections it won more than 70,000 votes, most of them from the countryside of La Paz. Serrate Reich, therefore, will have to garner support in other districts of the country, primarily by entering into alliances with political forces, if he wants to have any chance of success in the coming elections. This is not easy because, of the remaining parties, if we assume that the left is more or less committed to the MBL, all that is left are miniparties such as the Nationalist Revolutionary Movement of the Left (MNRI), the Bolivian Socialist Falange (FSB), the PDC, the Revolutionary Workers Party (POR), Federalism, and the Democratic Left. Their followers cannot contribute much support, and in some cases they already have other commitments.

This is the way the situation looks now. It may change or become solidified in the next few months, depending on the plans of each party and, above all, on the dynamics, the activity, and the tactics and strategy that these parties develop in the immediate future.

## Possible Platforms Analyzed

33480164a Santa Cruz EL MUNDO in Spanish  
24 May 88 p 5

[Editorial]

[Text] Certainly in any nation with a long democratic tradition it would be premature to talk about general elections that are still far off. In Bolivia, however, where a veritable electoral fever has broken out, people are concerned about what may happen, and especially about the parties and some political personalities who have already thrown their hats into the ring or will do so shortly.

Indeed, with the elections less than a year away, it would appear that we are entering a pre-election phase. By August we will probably know for certain who the candidates will be for president and vice president, and by November we should have the lists of aspirants for seats in the Chamber of Deputies and the Senate.

Although it is very difficult to predict how many presidential candidates will run, it is clear that there will be two marked tendencies in the choices offered: those who support the economic model (albeit with modifications) and those who propose to eliminate it. The citizenry will face the grave responsibility of deciding whether to maintain the status quo, which has certainly brought a lot of sacrifice, or to find another model to replace the present one. And despite what the left has been saying for so many years, no new model has appeared on the scene.

The current model, with variations to be sure, will almost certainly be backed by Nationalist Democratic Action and the Revolutionary Nationalist Movement, depending on who their candidates are. As for the Movement of the Revolutionary Left and any leftist fronts that may emerge, they will undoubtedly take the regressive path towards statism, although for strategic reasons some may deny that until later.

As it stands, then, two strong tendencies will vie for power next year: one trying to defend what has been accomplished so far and to consolidate the change with real progress toward reactivation, and the other impatient, disillusioned, with plenty of room for demagoguery, promising a turnaround at all costs, even if it means paying the high price that was exacted by the UDP.

This is a simple but accurate picture of what we can expect in a future that is drawing closer every day.

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## Strikes, Demonstrations Seen To Threaten Democracy

### Destabilization Clarified

33480164b La Paz EL DIARIO in Spanish  
11 Jun 88 p 2

[Editorial]

[Text] "Usurped on 7 October 1970 for defending liberty and justice, resuming publication on 1 September 1971, the press casts light in the shadows. Whatever progress exists in the world is due to its ceaseless efforts."—Jose Carrasco

The events that have shaken the country in the last few days have prompted many so-called political analysts and others who believe they possess clairvoyant powers to issue warnings about imminent threats to the reigning democratic system in Bolivia. They have even used the well-known phrase "saber rattling." Naturally, there is a certain amount of truth in these predictions, mainly because the prevailing situation is so confusing, punctuated by acts bordering on immorality in an effort to involve the entire nation.

But aside from the aforementioned prognosticators, the leaders of the left are the ones most anxious to cast these doubts on the future of our incipient democracy while claiming to be the defenders of it. They issue warnings and try to blame other sectors that actually have nothing to do with any alleged destabilization of democracy.

The fact is that the leftist conductor is conforming to established patterns. His typology is so obvious that it can easily be discerned in his real intentions. In this case, no supreme effort is required to size up the current "strategy" of the leftist sectors, primarily the extremists who are disguised in sheep's clothing. On the one hand they speak of the threats to democracy and claim to be the standard-bearers of this way of life, but on the other hand, they fan the flames of disorder and anarchy, indispensable ingredients in the destabilization of democracy. And if this is not their tactic, how do they explain the fact that the peasant and worker organizations under their management are now entering a phase of outright agitation? If their goal is to defend democracy, which ordinarily means peace and order, how can they encourage people to blockade roads, stage protest marches in the cities, and engage in other activities that disturb the public order and force officials to adopt security measures? The traditional hypocrisy of leftist dogmatists is plainly involved here, and that is what we should fear more than speculation about coups.

Two arguments have been wielded to stir up turmoil, beginning with the first attempts to blockade highways and now complemented with street demonstrations in Bolivian cities: first, that not a single law dealing with drug trafficking and coca cultivation should be passed, and second, that the soon to be approved national budget

contains unsatisfactory allocations for wages and salaries. With regard to the law on the control of dangerous substances, the agitators' contention is absurd, given that one or two laws do not mean anything in the final analysis; the sole objective is to prevent the proliferation of coca cultivation whose surpluses are fed into the cocaine machine. The problem of insufficient wages has already prompted a far-reaching debate, and the greatest argument is that there are not enough funds to give more, despite the cuts that have already been made. These cuts, in turn, have led to other problems, such as the complaints by the Armed Forces. And as if this were not enough, there is another convincing argument: The present government is the irrefutable product of the democratic give-and-take, and therefore its actions cannot be called into question on a sectorial or partial basis. This democracy has its own levers to pull to generate repudiation or discontent, demands or rectifications; but in no way does it authorize or condone actions that run counter to our laws, such as blockading roads and streets or encouraging the mob to run amuck.

The destabilization of democracy, therefore, is coming from those who are promoting all these actions, those who claim to be the defenders of democracy but are actually the real enemies of the current way of life in our country.

### Resurgence of Populism Noted

33480164b La Paz PRESENCIA in Spanish  
30 May 88 p 3

[Commentary by Luis Antezana Ergueta]

[Text] Populism is an endemic disease in certain political groups. Because of it, they arrogantly ignore a historic reality, the incipient democracy, and prefer to daydream about unattainable utopias. These populists are thus divided into two groups: those on the right, who want to return to the past, to "communities whose origin is lost in the darkness of time," and those on the "left," who have lost their grip on reality. Unable to correctly interpret reality, the leftist populists weave fantastic schemes, building castles in the air. The rightists are like Don Quixote, striving to revive outmoded systems, while the leftists are like aerial plants that cling to high wires and have no contact with the soil.

Populism has been a strong force in Bolivia since 1952. The first variant, that of the right, was theoretically defeated, although some vestiges still remain. The second variant, that of the so-called left, is now in a stage of frenetic activity; it is recovering and advancing because it claims to be the master of the infallible and eternal dogmas of "materialism."

When the country began several years ago to move along the path of democracy (capitalism), an inevitable and ineluctable socioeconomic stage that does not appear or disappear simply because someone so desires, the native populism went into a severe crisis and became wrapped



up in its own theories. Moreover, in an incredible turnaround, these populists at least appeared to help build the nascent democracy (now dubbed "neoliberalism").

But the democratic system is mortal as far as the populists are concerned. They began to lose their "bases" of support (through the reorganization of the state enterprises, for example, which were responsible for multimillion-dollar losses over the past 30 years), and their first reaction was to prepare their lances for battle. But as democracy began to advance (as manifested in the reorganization of the budget and some decentralization measures), they resorted to a desperate attack, this time exploiting the presence of Pope John Paul II.

The attempts to promote democracy initially threw populism into a crisis, but then the vacillations in economic policy led to the present resurgence. Now the populism of the "left," which can easily degenerate into anarchism and even terrorism, is openly opposed to democracy (also known as "neoliberalism") and has begun to talk up its utopias again. Here is one of the things the populists have so loosely promised: "To continue struggling for a change in social structures, that is, for the construction of a society without the exploiters or the exploited" (in other words, a communist society)—APDHB. And then there is this: "Injustice has increased in Bolivia as a consequence of the government's new economic policy, inspired by the purest liberalism, in an effort to concentrate wealth and privilege in the hands of a small oligarchic group..."—Bolivian Labor Federation (COB). In addition: "I believe that the Pope's message lies in unity and cohesion for combating the structures of the past, for finding the (socialist) path and solving our problems."—Movement of the Revolutionary Left (MIR).

Another populist declaration proclaims "a change in not only the material structures but also the moral structures of our people," in other words, doing away with the nascent democracy and moving towards none other than socialism, or something similar.

The COB wants to apply the socialism of its program, counting on the support of the Pope. It pontificated: "The Pope has reaffirmed that our struggle (the socialist struggle) is just, and that is why we believe that the tremendous moral authority of His Holiness can create an atmosphere in the country that will enable us to solve our problems through a just struggle." "The Pope has interpreted us," added Reyes.

At another level, others are shouting for a struggle "to the last consequences," that is, death or socialism, which never succeed out of vacuousness.

The populist struggle is not just at all, because it is impossible to ignore the democratic phase through which Bolivia is going. This is undoubtedly a very young stage that is profoundly rooted in national history.

What everyone should do, particularly the workers, all COB members, and the "left," is look reality in the face and call a spade a spade; they should struggle for democracy, which is what will do them the most good now, and simultaneously wipe out the last vestiges of the feudal, colonial past. Looking objectively at the future, they should carry it to its most profound consequences. Until then, populism will remain what it is: bunk.

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**Recognition of PLO To Be Discussed During  
Faruk Kadumi Visit**

*33420105 Sao Paulo ISTOE in Portuguese  
13 Apr 88 pp 56-57*

[Interview with PLO representative Farid Suwwan by  
Graca Ramos]

[Text] Dr Farid Suwwan, father of three, 39 years old (8 years of his life have been spent in Brazil) is close to achieving an important victory in his diplomatic career. He is the chief of the Palestine Liberation Organization's office that is located in the Lago Sul neighborhood of Brasilia. Suwwan should shortly have the satisfaction of seeing the PLO officially recognized by the Brazilian Government. On Tuesday 5 April, Foreign Minister Abreu Sodre admitted that this controversial decision could be reached as early as the end of this month during PLO Chancellor Faruk Kadumi's visit, as ISTOE exclusively reported in its edition number 587. "It is possible that Brazil will do this. Kadumi will be arriving and we are going to discuss the matter," states Sodre. To Suwwan, the measure will mean that his office will be granted diplomatic status. He will no longer need to present himself at Itamaraty as a representative of the Arab League in order to be received. "The PLO will have more contact and dialogue with Brazil," foresees Suwwan. He rejects his reputation of being the annoying, audacious person that some Itamaraty officials classify him as being. In an interview with ISTOE, he also rejects the idea that Brazil, as a result of its decision, will import the Palestinian-Israeli conflict within its borders.

[ISTOE] The Brazilian Government is preparing to recognize the PLO officially. What influences may this decision have on the Middle East conflict?

[Suwwan] As of now we have no official indication that this is going to happen. We have only been following what is being published in the Brazilian press. The government of Brazil is a sovereign government which makes decisions that suits it and at opportune moments. It is our wish to one day have a diplomatic mission because the PLO's political-diplomatic offensive in the world is very important. Diplomatic status for the PLO in any part of the world is an additional success for the Palestinian struggle.

[Question] Internally in Brazil, what will change for the PLO as a result of the granting of special diplomatic status?

[Answer] PLO representation already exists thanks to the generosity of the Brazilian Government. Until now, my immunity resulted from my being an Arab League diplomat. However, I operate as a PLO representative in Brazil with the consent of the Brazilian Government. I feel that the establishing of PLO representation with diplomatic status will make greater contact and dialogue with the Brazilian government possible.

[Question] Has your previous 8 years' work achieved positive results?

[Answer] Of course. Nowadays our cause is known in Brazilian society. It has much sympathy and much support. At the government level, the executive, legislative, and all sectors of Brazilian society, political parties and intellectuals. Despite the lack of attention in the media, we have set out to make personal contact, attend conferences and talks, and hold a dialogue with all segments of Brazilian society. That is why we are optimistic.

[Question] You did practically all this work of personal persuasion. This created friction between the Brazilian Government and you. Do you not consider your behavior to be exaggerated for a diplomat?

[Answer] First, to work for my cause is not an exaggeration, that is why I came. Second, as a representative of a people and a national liberation movement, my mission is somewhat different from that of another diplomat. However, I never went beyond the limits that a diplomat must respect: the sovereignty of and the noninterference in the internal affairs of the nation. The Brazilian Government has never warned me. I am respecting the nation's sovereignty.

[Question] But when a group of Brazilian parliamentarians received an invitation to go to the West Bank and Gaza territories, were you not called to Itamaraty because it considered the trip a provocation to Israel?

[Answer] First, I did not invite any group of parliamentarians. The invitation came from Palestinians in the occupied territories. It was approved by the Council of Arab Ambassadors. I personally did nothing to send delegations and that is why I did not receive any warning from Itamaraty. Hundreds of delegations from the whole world went to the occupied territories. It is normal for delegations to see what is happening.

[Question] Do you believe that with the granting of diplomatic status to the PLO, you will continue to head the office in Brazil?

[Answer] I enjoy a great deal of confidence from the PLO Executive Committee and from Committee President Yasser Arafat. Now, I have been here for many years. Much more time than any diplomat normally remains in one country. Therefore, a possible transfer, should the PLO so decide, will not be directly or indirectly related to the concession of diplomatic status. It could happen tomorrow, 6 months from now, 1 year from now, 2 years from now.

[Question] What guarantees may the Brazilian Government have that the Palestinian-Israeli conflict will not be imported within our borders as has already happened in some European countries?

[Answer:] We do not have any conflicts in Europe. If there is a group doing this it is not a part of the PLO which defends armed struggle only in the occupied territories. Outside, the struggle is political and diplomatic. The PLO does not allow any violent actions outside the occupied territories. Not only does it not allow them it also energetically condemns them. This is what needs to be explained among Brazilian public opinion.

[Question] Does the Brazilian Government create difficulties for Palestinians to enter Brazil?

[Answer] No. Our visitors have always been able to obtain a visa through our intervention and that of the Arab League.

[Question] Even in the case of immigration?

[Answer] We do not want any government in the world to facilitate the entry of Palestinian emigrants because emigration represents the emptying of Palestinian territory.

[Question] Itamaraty calculates there are 8,000 Palestinians in Brazil. The Palestinian community calculates it numbers 40,000 to 50,000. How is this difference explained?

[Answer] We do not have concrete studies. We know there are 8,000 families. The Palestinian family consists of between four and six people. There is no disagreement on the numbers. There are 8,000 families with approximately 40,000 people.

[Question] Is it true that you have a great deal of influence on the Arab ambassadors in Brasilia?

[Answer] I am a friend of all my Arab ambassador colleagues. We work as a group. I became irritated by what ISTOE published (that I, according to some Itamaraty officials, manipulate them) because my colleagues are respected people. Whenever any diplomat feels he is being manipulated, he does not allow it because he is a representative of a sovereign nation. I want to make it very clear that if they give me solidarity, support and strength it is not because I have power over them, rather, it is because they are carrying out their governments' decisions to support the Palestinian cause and the PLO. We have a common task, we meet monthly and there is extraordinary respect, cordiality, with each one representing a sovereign government.

[Question] What is the Arab assistance to the Palestinian cause?

[Answer] They provide total support in the political, moral and financial areas.

[Question] What does the PLO propose to resolve the Middle East conflict?

[Answer] A peace conference sponsored by the UN in which all the parties involved, including the PLO, in the conflict would participate as equals and with the active presence of the permanent members of the UN Security Council (United States, Soviet Union, Great Britain, France, and China).

[Question] The demand for a peace conference attended by all the parties involved leads to the conclusion of an Israeli presence. The PLO recognizes the state of Israel?

[Answer] The participation of both sides in a peace conference is very obvious. This has a political significance. The moment the other side recognizes the future Palestinian state, the Palestinian people's right to self determination, the world will have the right to ask us what we think about Israel. Because nowadays the question should be addressed to Israel. Then, how can you ask us what we are going to recognize without there being any offer in return? All those who counsel us to recognize the state of Israel do not have the power or strength to force the other side to recognize the right of the Palestinians to their own territory. They do not have the power or strength then to obtain an Israeli retreat from the occupied Palestinian territories.

[Question] What are the major difficulties in bringing about a conference?

[Answer] At this time only Israel and the United States reject the idea but I believe this is going to change. There is strong internal debate within the Israeli Government, in the army and the high commands. Israel will have to return the occupied territories to the Palestinians.

[Question] In Latin America, Chile, with 230,000, has the largest number of Palestinians. What are the relations between the Palestinian community and the Pinochet government?

[Answer] The Palestinians in Chile are second, third and fourth generation. It is a community like any other. Each person expresses his own thinking. There are sectors that are favorable to the government and others that are not. They are Chileans and as such they are participating in the social and political life of the nation as any other citizen. There is no PLO office there.

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#### **Nobrega Outlines Plans for Resolving Economic Crisis**

33420109 Rio de Janeiro *MANCHETE* in Portuguese  
25 Jun 88 pp 11-13

[Interview with Finance Minister Mailson da Nobrega by Osias Wurman; date and location unspecified]

[Text] The finance minister, Mailson da Nobrega, a 46-year-old Paraiban, is a career public official, having held the position of secretary general of finance during



the tenure of Minister Ernani Galveas. Completing 5 years of administration heading the ministry, he has already gained the sympathy and support of large segments of the country's entrepreneurial class, and enormous respect and credibility from the authorities of international credit agencies, and, primarily, among creditor bankers involved in our foreign debt.

A pleasant, likeable presence, inspiring confidence in his competence, is a typical impression left by this exclusive interview with MANCHETE, from which we are publishing the best portions here.

**MANCHETE:** The Brazilian population felt relieved with the drop in inflation from the 20 percent level to 18 percent per month. Is it possible that people have by now become used to living with this high inflation?

**Mailson da Nobrega:** No. The society created defense mechanisms against these inflation levels. No society can become used to rates of 20 percent, which bring very serious consequences. Inflation is a wrongful imposition foisted on the least privileged classes, besides eroding wages and harming small farmers and business owners. We cannot be content with the maintenance of these inflation rates.

**[Question]** How is the beans-and-rice policy progressing?

**[Answer]** The first intention has been met, namely, to stabilize inflation between 15 and 20 percent, thus refuting some catastrophic predictions with a set date (May) for inflation to shoot up to 25 or 30 percent monthly. Although it is at a shameful level from a social standpoint, inflation has not escaped our control. The task now is to preserve the measures that have been adopted, continuing with the dropping trend in the public deficit, which was 5.5 percent in 1987, and should be 4.0 percent of the GDP in 1988, reaching under 2.0 percent by 1989. Inflation should keep pace with this gradual decline.

**[Question]** The government informed the IMF that the growth index should stand at about 4 percent this year. However, the planning minister has claimed that this index will not exceed 1 percent. Where does the truth about these matters lie?

**[Answer:]** The government never reported this index to the IMF, because the country's economic growth is not a topic pertaining to the agreements. Certain government areas made calculations, for reference, of the fund requirements to be submitted to the creditor banks. I think that our studies made by IPEA [Institute of Economic and Social Planning], an organ of SEPLAN [Planning Secretariat], indicated a slight growth, of about 1-2 percent, in 1988. This stems from the serious imbalances that we have at present in the national economy, in the realm of finances and inflation, added to the low savings rate preventing the formation of a higher level of capital in the economy.

**[Question]** What is your projection for the country's economic activity in the coming months?

**[Answer]** In 1988, we don't expect any results that would indicate an immediate recovery of investments and economic development. What we are making are preparations for future years. This year, we really believe that a stable, albeit low level, will be maintained, without any spectacular results. For future years, we want a level between 6 and 7 percent annually. We are planting now, so as to harvest a little ahead of time.

**[Question]** What are the government's next goals for effectively combating inflation?

**[Answer]** There are no spectacular measures to be adopted. The fundamental measures have already been adopted, from the standpoint of controlling the public deficit, with the limitation on the debts of the states, municipalities and state enterprises, in both the public and private national financial system, suspension of the public employees' URP for 2 months, and additional cuts in the Union budget. From now on, it will be up to the government to preserve these measures, and to make the public deficit of 4 percent of the GDP planned for 1988, in fact, a reality.

**[Question]** Could the record agricultural harvest influence the battle against inflation?

**[Answer]** Unquestionably. The normalization of the domestic supply inhibits the pressures from prices, helping to keep inflation under control. This is one of the most auspicious results that we have had this year.

**[Question]** Minister, the government is announcing a possible granting of amnesty to small and medium-sized business owners. How would this measure be implemented?

**[Answer]** One way is a study with Congress members, through the government's leaders, of relief for small and micro-business owners, as well as rural producers; but based on a figure tolerable for the National Treasury. It is important to explain, and I think it is unknown to the Constituent Assembly members, that from 70 to 80 percent of the debts in question are to the government itself. There is nearly \$10 billion that would be lost by the taxpayers themselves, and the entire society would pay for this profit in favor of a small group constituting a powerful congressional lobby. The failures caused by the Cruzado Plan were not only those of farmers and micro-business owners. Those who lost their jobs, those who sold their homes and could not purchase another, and those who took out housing loans also failed. Why should the workers have to pay for all this? After all, if this amnesty is approved, it will cause a disorder of major proportions in the national economy, which will inhibit economic and social growth; it could throw the country into hyperinflation, and bring unpredictable consequences in the social and political area.

[Question] Then what will the government's final position be?

[Answer] To better depict the damage from this amnesty proposed in the amendment of Senator Mansueto de Lator, who is from Pernambuco, it would cause a loss of about 10 billion cruzados for the State Bank of Pernambuco. Considering the fact that the bank's capital totals 3 billion cruzados, we can better gauge the effect of this proposal. The senator claims that, based on his calculations, the expense resulting from the passage of his amendment would be 180 billion cruzados, which nevertheless exceeds \$1 billion. The government is studying an alternative that would limit the Treasury's expenses to less than 50 percent of this amount; and this would be paid within a period of 4 or 5 years, to ease the burden that will fall upon Brazilian society.

[Question] In the modifications being studied for the income tax of individuals, will there be merely a simplification, or an actual reduction for the low-income classes?

[Answer] We began the studies in order to make simplifications in the operational aspect of the statements, and also to make possible a reduction in quota through the elimination of abatements and deductions. We think that these measures will benefit the middle class primarily. A myth was created that the middle class is the one most affected by taxation. If we analyze this from the standpoint of income tax, this assertion is true; however, from the overall standpoint, considering the tax represented by inflation, and the indirect taxes collected in salestransactions, the class affected as much by the difficulties in the economy as by the tax system is unquestionably the class with the least purchasing power.

[Question] Do you confirm the future suspension of the Tri-Lion?

[Answer] No, this was not the goal. The Tri-Lion was established because of an inflation problem. Some taxpayers are entitled to divide their sources of income, postponing the tax payment. The current inflation level is what brought the problem of the differences to be collected being paid a year later, based on the same nominal amounts. So long as inflation remains high, we must maintain the mechanism that fostered the consolidation of the taxpayer's various sources of income for a suitable taxation of his income.

[Question] What is the current level of Brazil's exchange reserves?

[Answer] For strategic reasons, the exchange reserves are formed with a 4- to 6-month lag. What I can report is that they are at an absolutely secure level at present.

[Question] What is the government's latest projection regarding the trade balance for 1988?

[Answer] The latest data indicate a surplus of \$13 billion. There are extra-governmental forecasts showing a sum of \$15 billion. During the past 12 months, the surplus level has really stood at \$15 billion. We are taking steps to prevent this number from being reached; because, although it is important to accumulate reserves, over the medium term it would turn us into exporters of capital—something that is not good for the national economy. Those predicting the \$15 billion may perhaps not be taking into account the tariff reforms which we have adopted and which could accelerate imports, as well as decontrolling permits for capital goods heretofore prohibited. The results of these measures will bring the balance to the desired \$13 billion.

[Question] Minister, in conclusion, do you have any news about maxi-devaluation?

[Answer] No! God help me!

#### The Seasoning for the Beans-and-Rice

**Inflation:** It was held at a level below 18 percent, with a decline from the month of April, when it reached 19.28 percent (CPI). Some analysts were predicting a hyperinflation of between 25 and 30 percent for May.

**Foreign debt:** Minister Mailson's position provided an atmosphere of renewed security for international creditors, the agreement with the IMF being among goals that are feasible and acceptable for the Brazilian economy.

**Decline in the public deficit:** The measures to curb public spending and to reduce subsidies will bring immediate relief in the pressure brought to bear on the financial market by the massive collection of funds by the government. Interest may drop, as a result.

**Trade balance:** In April, the historical record of \$1.906 trillion was reached, with a 280 percent increase in dollars over April 1987, when the amount was \$502 million. In 4 months, the balance has already accumulated \$5.03 billion.

**Agricultural harvest:** The production of 66 million tons in 1988 represents a record, with 2.7 percent growth over 1987. The government applied 1 trillion cruzados to the marketing sector, and expanded the storage capacity by 7 million tons. The current grand total of the stocking capacity is 70 million tons.

**Presidential Adviser on Peasant Unrest, Rural Reform**

33480166 Bogota *EL ESPECTADOR* in Spanish  
13 Jun 88 pp 1A, 11A

[Interview with the presidential adviser for rehabilitation, reconciliation and normalization, Rafael Pardo Rueda, by Maria Jimena Duzan; date and place not indicated; first four paragraphs are introduction]

[Text] Bogota—"The administration is indeed willing to support regional peace efforts that are consistent with its responsibility to maintain law and order and safeguard the constitution," asserted the adviser for rehabilitation, reconciliation and normalization, Rafael Pardo Duzan.

In what is thought to be the first official recognition of major efforts at regional coexistence that have been proposed in areas such as Caqueta and Barrancabermeja, Pardo Rueda clarified that the administration approves of these initiatives because they are designed "to seek general formulas for [peaceful] coexistence, not simply coexistence with the guerrillas."

He also maintained that the dirty war militates against the involvement of new forces in democracy and that for an understanding of the democratic principles of protest, it is the duty of political movements and grassroots organizations that operate within the law to openly condemn the path of arms as a political strategy.

And as for the grave law and order situation and the appointment of military personnel in conflict zones, he asserted that "these are emergency measures for emergency situations and they do not vitiate the principle of keeping law and order under the control of civilian authorities."

**EL ESPECTADOR:** The situation in the country has prompted many voices to say that the peace strategy must be redesigned. Specifically, there are efforts at the regional level that are being offered as new alternatives. Does the administration welcome the proposal made by Carlos Ossa Escobar to take into consideration the peace efforts that are being made on the regional level, as is the case in the Caqueta and Barrancabermeja?

Rafael Pardo Rueda: This administration has been characterized by its openness to dialogue. And these kinds of initiatives, when they multiply, must be welcomed because we believe that it is by expanding the dialogue with the community that we can find alternative solutions to problems. These initiatives are not being put forth just in the Caqueta. They are also being offered in Cordoba, Cundinamarca and Ocaña. These initiatives have been offered in many places, and the administration approves of them and believes that this is the way to seek alternatives for peaceful coexistence on the regional level. Naturally the administration sets limits on these dialogues that have been established with the guerrilla groups.

**EL ESPECTADOR:** What are those limits? In the letter that you sent to Caqueta leaders you asserted that "the administration does not belittle the efforts that nongovernmental sectors may make in this regard, but it is our obligation to caution you that your good faith may be abused." So where do we stand?

Rafael Pardo Rueda: The purpose of the letter that was sent to Caqueta was to clarify the limits of the dialogue with the guerrillas, not to describe the initiative as inappropriate, as some people have understood. As far as the administration is concerned, the dialogues with the guerrillas have clear-cut limits, the ones set by our laws. The administration feels that coexistence with the guerrillas must not be understood as simply coexisting with them, but rather as formulas for peaceful coexistence that can bring them back into society. One way of coexisting with the guerrillas is to submit to them: blackmail and the rules of conduct that the guerrillas impose. But this is not lasting peace. The other kind is.

What Dr Ossa has proposed and what have been put forth as initiatives for coexistence have to do with a broadening of the peace policy not just with the guerrillas. Under the conditions of violence in the country today, it is more important to seek general formulas for coexistence than to just seek close relations with the guerrilla movement.

**EL ESPECTADOR:** To clarify this once and for all, does the administration approve of the regional peace initiatives?

Rafael Pardo Rueda: Yes. The administration will give due consideration to the regional proposals that are consistent with its responsibility to maintain law and order and safeguard the constitution. The administration cannot, of course, commit itself in advance to conclusions with which it is not familiar.

**No to the Combination**

**EL ESPECTADOR:** During the recent work stoppage in the northeast you spoke out against the infiltration of guerrilla elements into the peasant protests....

Rafael Pardo Rueda: Dialogue is always the administration's priority, as it has amply demonstrated. In the case of the peasant marches, the possibility of a dialogue was not ruled out; rather, measures were taken to maintain law and order owing to the presence of armed terrorists in the peasant marches. This was why the work stoppage in the northeast was handled the way it was.

**EL ESPECTADOR:** And haven't relations between the administration and peasant organizations soured since then?

Rafael Pardo Rueda: The administration continues to dialogue with the peasant organizations. What they have to understand is that they cannot allow themselves to be



used by terrorist groups, which in one way or another vitiate the peasants' protest. The peasant organizations are one thing, and the terrorists' use of the peasants as a screen for attacking the police and causing disorders is another. It is very clear to the administration that the peasant organizations are peasant, not guerrilla organizations. By infiltrating them, the guerrillas seek to cause confusion so that some sectors will identify the peasant organizations as guerrilla groups.

**EL ESPECTADOR:** In any event, the marches are going to continue. How can the administration prevent a legitimate protest from turning into a law and order problem and a massacre from suddenly occurring?

**Rafael Pardo Rueda:** The administration's plan is to strengthen the channels of dialogue with the peasant organizations, so that marches are not necessary to voice demands in connection with needs that are often legitimate.

**EL ESPECTADOR:** But don't the administration and the peasant organizations have their backs against the wall if the relationship between certain political movements and the guerrilla groups is not clarified?

**Rafael Pardo Rueda:** Distinguishing between the various forms of struggle is a responsibility of the peasant and grassroots organizations and of the political parties and movements. It is a responsibility of the Popular Front, as a political organization, to state whether it has relations with the EPL [Popular Liberation Army] and whether it publicly condemns the path of arms as a form of political organization. This also goes for "To Struggle" in connection with the ELN [Army of National Liberation] and for the UP [Patriotic Union] in connection with the FARC [Revolutionary Armed Forces of Colombia]. The central point is whether these are political organizations that operate within legal channels and condemn the path of arms. This is fundamental for an understanding of the democratic principles of protest.

The political organizations that signed an accord with the government during the recent work stoppage in the northeast must distinguish between their responsibility and the terrorists who have taken the lives of peasant and military personnel, and they must come out against the path of arms.

The Colombian Communist Party is one of the few parties in Latin America that have not condemned the combination of forms of struggle. This condemnation must be more than rhetorical. It is very important so that the country can have a clear idea of what the ways of engaging in politics are and what relations between political organizations and the guerrillas are. The administration feels that the guerrillas are one thing and political organizations are another. But it is up to the political organizations to set themselves apart with specific statements on the path of arms.

### The Dirty War

**EL ESPECTADOR:** But we're in a vicious circle. As long as there are no guarantees, and obviously there are not, the guerrillas are always going to use this as an argument for not demobilizing.

**Rafael Pardo Rueda:** All democratic parties, the Liberals, the Conservatives and Patriotic Union, have the same guarantees from the State. It cannot be argued that a political organization must support an armed group because there are no guarantees for participation in politics. The basis of democracy is that everyone plays by the same ground rules. This has caused great intolerance. And I think that it is one of the several causes of the dirty war. It's a vicious circle, you're right. The FARC say that there are no guarantees for rejoining civilian life. But as long as the FARC exist, they help to generate conditions of intolerance. This is not, of course, a justification but an explanation of one of the many sources of the dirty war.

**EL ESPECTADOR:** The dirty war has already had irreversible results. The extermination of which the UP is a victim is making it impossible for new forces to take up the legal path again, while the administration's plan is to expand democracy.

**Rafael Pardo Rueda:** It is obvious that the dirty war militates against the involvement of new forces in democracy. Therefore, the dirty war is the enemy of the entire society. It is the responsibility of the government and of all Colombians, in fact, to combat intolerance in every way.

The signers of the La Uribe accords agreed to tolerate the existence of a political movement that would coexist with the FARC for a period of 1 year. This was later extended for another year. This situation was shattered with the indefinite extension of the La Uribe accords in March 1986, when tacit acceptance was given to the existence of an armed movement like the FARC and of a political party.

This has generated great political intolerance in the country. And it is becoming increasingly urgent to draw a real distinction between engaging in democratic politics and imposing political ideas by force of arms. And it is up to the political organizations to define the terms of this distinction through their political action.

### The Execution of the PNR

**EL ESPECTADOR:** The PNR has recently been criticized on the other flank: the rehabilitation of the disadvantaged zones. It is said to have failed for lack of financing.

**Rafael Pardo Rueda:** There have been two main criticisms. One is that the administration has not expressed its determination to support the plan with funding. The

other is that the pace at which the PNR has been executed is unacceptable. With regard to the former, the administration has tripled the budget for rehabilitation zones. From 4 percent, which had been the highest spending on these zones, we have increased today to 14 percent. This shows that there is a determination to finance the rehabilitation programs. The second criticism has to do with the development of the projects and the programs. The claim is that their level of implementation has been low. The facts are that the PNR's level of implementation has been higher than the rest of the government's programs.

Last year, in the area of appropriations with payments, total spending was 60.1 percent but for the PNR it was 70.8 percent. As for appropriations with budget remittances, total spending was 78.1 percent but 85.8 percent for the PNR. For remittances with cash payments, spending stood at 78.8 percent but 82.5 percent for the PNR. All of these indicators show that not only was the implementation of the PNR very high but it was comparatively higher than for the rest of the government's spending programs.

**EL ESPECTADOR:** So then why are the peasant organizations protesting that the program is not being carried out?

**Rafael Pardo Rueda:** The problem is that there was no government presence in those zones. And when its presence begins to be felt, great expectations are created because needs have built up over many years.

It is true that there are problems in some programs, but they are being corrected. There are sectors that have had an extremely important presence that they previously did not, as is the case with public works. Contracts worth thirty billion pesos have been signed for roads in the rehabilitation zones; it takes 3 or 4 years to build them, and they have been at a standstill for 50. The agricultural sector has also played a major role in the rehabilitation zones; last year INCORA [Colombian Institute of Agrarian Reform] bought 3 times as much land as in any of the previous 15 years. There was also a considerable increase in the awarding of titles to uncultivated land, and IDEMA [Agricultural-Livestock Marketing Institute] has developed an important program for crop purchases. All in all, public agencies have made a major effort to make their presence felt in these zones.

The PNR is judged solely by its projects. But the most important effect of the PNR is the broadening of Colombian democracy. The point is that the people should be able to make decisions democratically, at a decentralized level, about the government's programs of action

through the rehabilitation councils. The people in these forums have a direct line to the administration, and many political sectors may feel hurt by the creation of this mechanism.

Therefore, the aim of the program that the administration has undertaken this year is to strengthen the peasant and grassroots organizations on the rehabilitation councils so that they become more involved.

#### Law and Order

**EL ESPECTADOR:** The administration was very clear in stating that one of the goals of the peace strategy was to strengthen civilian control in the area of law and order. Nonetheless, there are developments that indicate the contrary: a military governor in the Caqueta, a military chief in Uraba, and Minister Samudio has announced more.

**Rafael Pardo Rueda:** General Payares was appointed in the Caqueta because of the emergency that arose during the election campaign, after two mayoral candidates were murdered in an unprecedented escalation of political violence in that department. His appointment was an important guarantee that the elections would be held in the Caqueta, and all political sectors in the Caqueta have been grateful for the administrative and political work that he has done. There was a state of emergency in Uraba, and emergency measures were taken to maintain law and order. These are emergencies that do not vitiate the principle that law and order should be kept under the control of the civilian authorities.

**EL ESPECTADOR:** But we could use this argument to say that Colombia at large is in a state of emergency and thus wind up with military commanders in almost every region.

**Rafael Pardo Rueda:** Maintaining law and order must be understood, and the administration has so interpreted it, as an instrument whose use is not incompatible with the preservation of civil rights. Thus, maintaining a climate of domestic tranquility should not run counter to the democratic order and to individual liberties in the nation. These are temporary measures to deal with exceptionally grave situations. It is important to reiterate this because the tendency is to believe that restoring law and order means using force to restore privileges, when in fact our philosophy is that restoring law and order means restoring domestic tranquility within the framework of the rights and duties of the state and of citizens, with individual, union and political liberties preserved.

### **Drop in Exports to Panama Expected**

32480178 [Editorial Report] San Jose LA REPUBLICA in Spanish on 21 May 1988 reports on page 3 that according to Gustavo Gutierrez, executive director of the Chamber of Industries, exports to Panama will total \$14.8 million in 1988, compared to \$36 million in 1987 and in contrast to the \$43 million in exports that had been forecast. A survey of 24 companies whose sales to Panama in 1987 totalled \$12.2 million shows that their sales this year will total \$5.4 million. Gutierrez went on to say that this serious situation is caused by the restriction on payments in Panama. Furthermore, Panama had been absorbing Costa Rica's drop in sales to the Central American Common Market. Consequently, a significant reduction in the country's total exports is expected in

1988. To help solve the problem, the Chamber of Industries is requesting \$3 million from the Central Bank, which covers the arrears in payments from Panamanian importers.

### **Great Britain, Taiwan Donate Funds to Flood Victims**

32480179 [Editorial Report] San Jose LA REPUBLICA in Spanish on 8 June 1988 reports on page 6 that Great Britain donated approximately 3 million colones (£20,000 pounds sterling) to build houses for 11 families whose homes were destroyed by floods in January. The funds will be used to purchase land, for infrastructure, and for construction of the houses. San Jose LA REPUBLICA in Spanish on 10 June 1988 reports on page 43 that the Red Cross of Taiwan has donated \$5,000 to help farmers who suffered losses from flood damage.



**Pollution From Sugar Mill Endangers Water Supply, Fauna**

32480174 [Editorial Report] Havana JUVENTUD REBELDE in Spanish on 26 April 1988 reports on page 12 that for the second time the La Yaya dam water supply has been polluted. Thousands of fish have died and the water supply of the Niceto Perez municipality is threatened because of pollution from the Los Reynaldos sugar mill in Santiago de Cuba. Court proceedings have been initiated against those responsible.

**Market for Animal Blood Products To Open**

32480173 [Editorial Report] Havana JUVENTUD REBELDE in Spanish on 20 May 1988 reports on page 2 that Jose M. de la Osa, vice minister of the Ministry of Food Industry [MINAL] has announced the opening of the first market for the sale of cow and pig blood

products. According to a researcher at the Guatao meat plant, the use of blood products is the quickest and least costly way to supplement the Cuban diet with protein. Sausages made of meat, bacon, fat, plasma, and soy, prepared at the experimental meat plant, will initially be sold.

**Data on Cooperatives With Electricity**

32480172 Havana JUVENTUD REBELDE in Spanish 16 May 88 p 2

[Summary] Seventy-five percent of cooperatives (1,070 in total) have electricity to date. Eight hundred receive electricity from the National Power System [SEN] while the remainder are serviced by hydroelectric and fuel powered plants. The purpose of the Turquino Plan is to replace these plants with SEN or electricity supplied by nonconventional means.

### Opposition Leaders Attack Administration Performance

**Majluta Blames Administration for 'Misery'**  
32480175a Santo Domingo EL CARIBE in Spanish  
6 Jun 88 pp 1, 4

[Report by Frank Nunez]

[Text] Jacobo Majluta said yesterday that never before has there been so much misery in the country, attributing it to what he called the administration's "backward economic policy."

The leader of one of the factions of the Dominican Revolutionary Party (PRD) contended that not even under the administration of former President Salvador Jorge Blanco was the country's economic situation so difficult, although he acknowledged the honesty "and the statesmanship of President Joaquin Balaguer."

He said that in recent months he has visited various neighborhoods in the capital and in all of them there is more "unemployment, damaged streets full of trash, higher food prices every day, medicine that the people cannot afford and inhuman evictions."

Majluta spoke during a rally that he held with hundreds of his followers in the Villa Duarte district in this capital.

"Let's hope that someone gets President Balaguer's attention and tells him that never before in this nation has there been so much hunger and so much misery and that even under Jorge Blanco's bad administration the situation was probably not as bad as it is today, even though he is much more of a statesman and much more honest," he asserted.

The former president of the republic said that every week he visits different neighborhoods in the capital and would later head into the interior of the country to promote his candidacy for the 1990 elections.

He added that he does not expect the country's situation to improve during the current constitutional term of office; on the contrary, he expects it to worsen as a result of inflation.

"Rice is going to cost 2 pesos, and maybe more, and chicken will be 4 pesos; the price of medicine will keep on rising, and the streets will remain full of holes and trash because of an incompetent administration and an incompetent city hall that cannot resolve the people's problems," he went on to say.

Majluta reiterated that he would seek the presidency of the republic at the next election because, he said, "there is no other way to change the situation except by changing the government."

The political leader's words were constantly interrupted by his followers, who clapped and shouted slogans such as "Jacobito follows a million," "Majluta is the route" and others.

The opposition leader also quipped with the audience, as when a demonstrator demanded a chance to address the gathering and Majluta shouted to him: "Wow, rum really is good for something."

Majluta also alluded to the announcement by the Dominican Liberation Party (PLD) that it would file corruption charges against him in court, downplaying the threat.

"The strength of this genuine party and, moreover, the strength of the repentant reformists who are joining our democratic convergence, will not be halted by slander from a party that believes that it has a monopoly on ethics in the world, and we have challenged that party to examine our lives, to see who is trustworthy in the Dominican Republic," he said.

Also speaking at the rally were PRD leaders Juan Lopez, Tony Rafal and (Antonio) Tono Ruiz.

Majluta was accompanied at the rally by Dr Ramon Baez Acosta, Ligia Leroux, Rafael Sarante, Miledys Madera, Raschid Zaiter, Jose Ventura Baez and Beatriz de la Rosa, among others.

**Majluta Warns Against Violence**  
32480175a Santo Domingo EL CARIBE in Spanish  
17 Jun 88 pp 1, 4

[Report by Modesto Rodriguez]

[Text] Former President Jacobo Majluta warned the people not to be swept along by "adventurers" towards social violence in spite of the economic crisis and the chaos caused by high prices, and he urged the country's "responsible leadership" to avoid the use of repression.

He said that unleashing a wave of grassroots violence would lead to regrettable deaths and that hunger and high prices would remain nonetheless.

He said that rather than talk about grassroots violence, what is needed right now is to truly unite the sectors that have influence on the people to force the administration to change its economic policy.

Majluta indicated that we must guarantee peace and tranquility so that the change of administration comes about legally and democratically in the 1990 elections.

He also said that he has always warned the labor federations that the struggle that they had to wage was against inflation, which is fueled, among other things, by the "efficiency of customshouses" and the collection of taxes that he described as illegal, such as the ad valorem tax.

He stated that the government collects 80 percent of taxes from the poor to enrich itself and finance its program of public works, many of which are so unproductive that only two or three cars a day travel down some avenues because they were not needed.

Former President Majluta blamed the administration entirely for the undesirable effects of its economic policy, the ad valorem tax and the surcharges on imports and exports. He said that the situation would automatically improve if the administration waived 1 billion Dominican pesos in taxes this year and settled for revenues of 2 billion.

He voiced the view that the administration is illegally collecting, through the Finance Secretariat, a tax that the National Congress has not approved, the ad valorem tax, and that the Monetary Board is arrogating the right to order illegal surcharges.

As a result of this situation, he said, tax evasion is over 40 percent, because if there were no smuggling, the economy would already have shut down because of the penalties that the administration imposes to further its policy of investment in unproductive projects during this term.

Majluta spoke yesterday at Radio Popular's "Thursday Breakfast" and attacked the administration's actions, which he said were designed solely to impose high prices and make the government a millionaire at the expense of a very poor and hungry people.

He said that one of the worst things that this administration had done was to peg taxes to the floating dollar exchange rate.

The administration, he said, is making the people pay for the "efficiency" of customshouses, while 60 percent have to resort to contraband and the rich pay just 20 percent of their tax obligations.

Majluta also rejected the idea of privatizing the Dominican Electricity Corporation (CDE).

He asserted that what he would approve of is private sector involvement in the projects to expand the distribution of electric power, but never its being the owner of areas as strategic and vital as energy production.

He also favored the government allowing the private sector to produce its own energy with its own money, like Falconbridge Dominicana, which could be done by the Romana sugar mill and other large private consortia, thus taking pressure off the CDE.

He reiterated that he opposes any attempt to give the private sector the people's energy patrimony. Energy projects must necessarily be in the hands of the state, he said.

He argued that those who advocate the purchase of new plants for the CDE apparently stand to benefit from such a transaction, and he asserted that the current units and the distribution network can be overhauled, which would be more advantageous than spending large sums to buy new equipment.

#### **Bosch Cites Economic Crisis**

32480175a Santo Domingo *EL CARIBE* in Spanish  
23 Jun 88 p 8

[Report by Julio Cesar Malone]

[Text] Former President Juan Bosch said last night that the economic crisis could have unfavorable political consequences for the country and he repeated his request to President Joaquin Balaguer that he hand the Central Bank over to the Dominican Liberation Party.

Bosch, who is also the president of the PLD, said that at present there are some 1.7 billion Dominican pesos without backing in circulation, and they are to blame for the exchange crisis.

He asserted that this large an increase in the money supply and the monetary problem that it creates were seen before only during the administration of Ulises Heureaux last century and that the crisis cost him his life.

Although he asserted that the PLD would resolve the exchange problem if President Balaguer handed the Central Bank over "in its entirety, not just the governor's chair or two or three posts," he declined to reveal the details of his plan, feeling that it would take too long to explain.

The opposition leader said that he did not know why the 1.7 billion pesos without backing were in circulation, but he asserted that his party could resolve the situation and, as a consequence, the exchange crisis.

He stated that the Central Bank must be given back its original function as the policy-making body for the entire monetary system of the Dominican Republic.

He asserted that the economic crisis and its exchange facet are constantly driving down the value of the Dominican peso and that this worries everyone who was born in or resides in this country.

He said that the crisis has already hurt him personally because the income from the pension that he receives as a former president of the republic is put to a specific use and he lives off the sale of his books only.



He asserted, however, that current high printing costs force him to sell his books at very high prices and that as a result he cannot bring out new editions of any of them. "The time will come when none of my books will be in the bookstores, and I live off them," the opposition leader says.

He said that there are currently clear symptoms of a political crisis. As an example he cited the telephone calls last week reporting that he had died, followed by others that claimed that it was President Balaguer who had died.

The opposition leader said that the purpose of such telephone calls was to create agitation for political purposes, and he cited the changes in the secretariat of the Armed Forces as an example of the political consequences of the economic crisis.

He said that the plan that the PLD has drafted would halt the erosion of the Dominican peso's buying power and then restore its original value.

He reiterated that under the law that created the Dominican peso and the Central Bank, the peso's value is similar to that of the U.S. dollar and that this is precisely what has to be restored.

He clarified that he is not recommending that the people take to the streets to demand a solution to the present economic crisis. He said, however, that the people have a duty to demand that the administration hand the Central Bank over to the PLD.

He said that although the exchange crisis is hurting Dominicans, a small number of people are benefiting greatly from it and that at times people make up to 400,000 pesos from a single exchange transaction.

8743

**PRD's Pena Foresees 1990 Election Victory**  
32480175b Santo Domingo LISTIN DIARIO in  
Spanish 13 Jun 88 p 11

[Text] San Juan de la Maguana—Dr Jose Francisco Pena Gomez asserted here that he would easily defeat the presidential candidates who run against him in the 1990 elections because he will offer a government program that the people know he will carry out.

The president of a faction of the Dominican Revolutionary Party (PRD) indicated that he is the only politician who can reduce hunger among Dominicans because he has the best intentions and international solidarity to confront this scourge.

The PRD leader made his remarks during a swing this weekend through rural areas in the provinces of San Juan de la Maguana and Elias Pina.

Speaking before thousands of his followers who walked through the streets in towns in those provinces, Dr Pena Gomez said that no one can stop him in his struggle for the presidency, asserting that the PRD is galloping like a runaway horse towards power in 1990.

The PRD president visited the towns of Hondo Valle, El Cruce, Guachupita, Metadon, Rancho la Guardia, Juan Santiago, El Cercado, La Navaja, Loma El Medio, El Jazmin, Gajo de Pedro, Derrumbadero, El Carmional El Pinal de la Cana, San Juan de la Maguana, Las Matas de Farfan, Palo Amargo, Canada Honda, Los Saladillos, Ranchito, Carrera Llegua, Cana Segura and Guyabo.

During his swing the PRD leader greeted local residents house by house and had face-to-face contact with PRD leaders and activists.

Pena Gomez stated that he wants to be elected president so that he can make the social changes that the country needs.

"We want to run a government in which there is milk for children, protection for abandoned mothers, old-age and disability pensions for the elderly and handicapped and shelter for the poor," indicated the former manager of the National District.

He explained that his administration would see to it that each town has proper sanitation, health care, electric power and transportation; these are the minimum community needs that every government should meet, although they are not being met at present in the countryside.

The PRD presidential candidate stated that peasants are living in worse than disastrous conditions because they have no light, drinking water, food or schooling, which can lift them up from their extreme poverty.

He announced that his administration would proclaim a 365-day working school year because only 40 percent of the country knows how to read and write.

He also indicated that Saturday and Sunday would be available for literacy classes and that there would be 3-month vacations for some but not for others, in an attempt to do away with ignorance, because otherwise there will be no development.

He also said that as president of the republic he would develop the fishing industry by outfitting a fleet that would be the most modern in the Caribbean.

He stated that it is shameful that the Dominican Republic, an island, has to import cod, herring and other varieties of fish.

8743

**Pena Gomez Viewed as 'Optimum Presidential Candidate'**

32480175c Santo Domingo LISTIN DIARIO in Spanish  
6 Jun 88 p 8

[Commentary by Ubi Rivas]

[Text] Dr Jose Francisco Pena Gomez has arrived at his summit meeting with history, that is to say, with himself, or at least attained political maturity, mental serenity and the profile of a complete statesman.

The recent attitudes and oratory of the president of the Dominican Revolutionary Party (PRD) indicate as much. Pena Gomez is conducting himself and dressing like a statesman.

Although his speeches have not waned appreciably in their ardor, their language is more muted, as he is now more given to conciliation than open confrontation, and only traces of his "scorched earth" harangues remain. Indeed, his new watchword is rapprochement with dissimilar and unsociable groups that misjudged him with both mistrust and fear, without knowing him personally.

The Central Electoral Board (JCE) obviously has to recognize Pena Gomez as the legitimate leader of the PRD, inasmuch as Jacobo Majluta was expelled from the white party and, moreover, espouses two ideologies, Liberal and Social Democratic, and is also established in two parties, the PRD and The Structure, which is inconceivable and unheard of for a political leader.

Moreover, I repeat, Gomez Pena is the president of the PRD and the only longstanding leader left, excluding those in exile, now that we know former President Juan Bosch has abandoned the PRD.

Pena Gomez knows as few others do that the next general election will be marked by alliances and potential shifts to and resignations from high positions.

Even Dr Joaquin Balaguer of the Social Christian Reformist Party (PRSC), the only major opponent that can defeat him at the polls, realizes this.

But there is something much more important than this undeniable consideration, which does not require much analysis or investigation. The two leaders know that no matter who wins, he will not be able to govern alone, in contrast to the norm up to now. The reason is that the country's problems will be so crushing by that time that resolving them will necessarily require the cooperation of our most talented, most able, most skillful, bravest and most effective men, no matter where they are or what political group they belong to.

Dr Balaguer has stated more than once that one of his life's dreams is to compete at the ballot box with Pena Gomez. The wisest politician of our century is not saying this as a mere wish but because he believes that he would crush the erstwhile Danton of Mao at the polls.

Pena Gomez has absolute control of the PRD's 108 municipalities, according to reliable accounts in which I have complete confidence. This translates into 8,000 rank and file committees with 31 leaders on each committee, making a total of 248,000 people.

If to these 31 we add one person each, in other words, their closest relative, the number swells to 496,000 members supporting the PRD at the next general election.

This excludes the silent majorities and the members of the PRSC who saw the promises that they were made for their political work broken.

Again according to our enlightening sources, the PRD listed 350,000 members at its most recent convention.

Pena Gomez is aware of the potential that all of these people represent with their votes as weapons, and he knows that the city councils are behind him.

No one is better qualified than he is to run for the highest positions inside and outside the party, and the 12th convention that elected him PRD president confirms this.

Moreover, no one in the PRD has more accomplishments and epic deeds in his record of service to the country and to the cause of democracy than Pena Gomez, ever since he, Bosch and Angel Miolan first organized the PRD, with the presence of Gen Ramfis Trujillo and with the blessing of him and of then President John F. Kennedy that democracy should be restored in the Dominican Republic.

With his undeniable and almost magnetic charisma, backed by the historic struggles that we have mentioned, Pena Gomez saw to it that both Antonio Guzman and Dr Salvador Jorge Blanco came to power.

He is the international vice president of the Socialist International and president of the political organization's Latin American chapter.

We could say without fear of error that Pena Gomez today has more international connections than any other Dominican and that the only individual in the past that we can compare to him is Porfirio Rubirosa, the famous playboy who was tragically killed in a car accident in the Paris suburbs.

Pena Gomez has very close ties with President Francois Mitterrand of France, President Bettino Craxi of Italy, President Jaime Lusinchi of Venezuela, President Mario

Soares of Portugal, President Andreas Papadopolous of Greece [as published], President Rodrigo Borja of Ecuador, former FRG Chancellors Willy Brandt and Helmut Schmidt, President Raul Alfonsin of Argentina and President Alan Garcia of Peru.

No one, not even Generalissimo Dr Rafael Leonidas Trujillo, ever had so many ties with chiefs of state, inasmuch as only Anastasio Somoza Garcia and Generalissimo Francisco Franco paid attention to Trujillo, but never a democratic chief of state, much less the president of the United States.

Shimon Peres, the Israeli prime minister, and Dr Carlos Andres Perez of Venezuela round out the list of Pena Gomez' major international allies that I can think of right now.

For some time now Pena Gomez has been suggesting very appropriate solutions to our problems. He has been serious and steady, avoiding the broadsides that characterized him for so long and that distanced him from our country's major government decision-making circles, which now express confidence in him.

He still has a long road to hoe, however, as he must restrain himself from responding to the foolish remarks of opponents who seek to anger and provoke him into

returning to his old fiery polemics, when what the people need, want, long for and are shouting for is serious solutions that will sharply reduce the intolerable cost of living.

He has done much to correct his old habit of not looking at people when he greets them, apparently because more than a few have whispered to him that in so doing he is belittling and being inconsiderate to those who are eager to give him their warm and enthusiastic support. He has also put an end to his chronic unreliability. He now keeps his commitments punctually.

Pena Gomez has been more open, more communicative and, if you wish, more effective for some time now, and this is an excellent way to gain supporters galore. The age-old proverb that behind every great man there is a great woman may once again apply in this case.

If besides putting his former traits behind him, Pena Gomez manages to gauge his own limitations in the overall context as opportunities for alliances and to break down age-old and misplaced prejudices against him, then we will be looking at the complete profile of an optimum presidential candidate.

8743



## DP Announces Cooperation With Borja Administration

### Decision Not Unanimous

33480159 Quito HOY in Spanish 6 Jun 88 p 6A

[Text] After several meetings and discussions, some of which were tense at times, especially the most recent one among the party's National Board, the Popular Democracy Party (DP) resolved once and for all to take part in the administration of Dr Rodrigo Borja Cevallos of Democratic Left (ID).

Some saw the decision coming, of course, though it was not at all easy for this young political group to make. The decision will apparently not cause any splits, as usually happens when one internal faction loses, which was the case this time; rather, the decision will be honored.

"I don't think that there were all that many difficulties. The fact is that it has been a custom in our party to debate and analyze with well-founded positions the issues that are brought up for discussion, and since we are a democratic and participatory party, opinions are diverse, but once a decision has been made, it is accepted by each and every one of the members of the National Board," said Ecuador Rodriguez, the secretary general of the DP.

All in all, many were pleased with the decision, while others were not. The vote was not that close, but the margin of victory was not as wide as some leaders were hoping for either. Of the 35 voting delegates in attendance, 21 voted for the motion to cooperate with the Borja administration, 12 were against and 2 abstained.

Former President Osvaldo Hurtado played a major role in boosting the number of votes against cooperation, as his speech at the assembly made a strong impression on at least five of the delegates who had initially advocated supporting the ID administration.

There were a variety of arguments against, such as that the DP would lose a very important political space for running in the 1992 presidential elections as a political party with a real chance to take power, and that economic conditions would make the country practically ungovernable and, consequently the party of the green arrow would soon be in the grip of discredit and unpopularity.

"We are making a historic and necessary commitment to the country by working with a Center-Left government to bolster this trend, put an end to the inevitable swing of the pendulum and assure into the future the continued presence of a Center-Left government that will make possible the ongoing changes that the people need," Rodriguez said in this regard.

Nevertheless, it became obvious after the vote that the argument that the National Board of Directors put forth was the one that ultimately prevailed. A Center-Left, progressive faction won, it was said. And as a result of this understanding, the presidency of the National Congress and several social areas in the next administration will go to the DP, it was added.

Our dialogue with the party's secretary general continued thus:

[Question] Why wasn't the decision unanimous?

[Answer] Because there were two factions. One advocated no DP involvement in Dr Borja's administration and called on our party to take a stand similar to the one that the ID did under our government, in other words, virginity. In contrast, those of us who advocated the other position feel that this is a historic and necessary commitment to the country to put an end to the inevitable swing of the pendulum and assure into the future the continued presence of a Center-Left government.

[Question] What areas of responsibility are you going to have under the next administration?

[Answer] That is secondary. I feel that the important and priority thing is to determine the political agenda on which we can work together while retaining our party autonomy, while maintaining our positions in the national interest and while seeing to it that the ground rules that are established for this cooperation are clearly defined and that the actions that are taken are consistent with these rules.

[Question] What has Dr Borja offered?

[Answer] He hasn't made us any offer. We had a direct meeting with Dr Borja, and he asked us as a party to lend him a hand in running the Center-Left government, inasmuch as the magnitude of the crisis in the country and the situation that the Febres Cordero administration left him demand the cooperation of parties like the DP that have an ideological affinity, by virtue of which the campaign platforms in the second round had many similarities.

[Question] There is talk that the DP has demanded the presidency of congress and the Office of Comptroller of the Nation.

[Answer] We prefer to inform Dr Borja and his party of our Board of Directors' resolution, to continue defining the Center-Left agenda through dialogue, to set forth our points of view, our view of the problems, and to make joint decisions of collective benefit, and Dr Borja will announce to the country the definitive accords that are reached with our commission.

[Question] When are you going to meet?

[Answer] The chairman of our commission and the chairman of the ID negotiating commission have to decide that. On our side the decision is up to our colleague Rene Vargas, the president of the party. We have a commission for this purpose consisting of Rene Vargas, Juan Pablo Moncagata, Patricio Ribadeneira, Valdimiro Alvarez, Wilfrido Lucero and myself.

#### **Decision Termed Patriotic**

33480159 Quito HOY in Spanish 9 Jun 88 p 4A

[Commentary by Claudio Mena Villamar: "The ID-DP Alliance"]

[Text] Two Center-Left parties, Democratic Left and Popular Democracy, have formed a political alliance for the new administration that will take office this coming 10 August. The alliance can be seen as a logical consequence of the support that DP gave to the candidacy of Dr Rodrigo Borja during the second round of balloting.

The alliance has strengthened the political base of Democratic Left in both the Legislature and the Executive Branch, under the terms of the accord that the two parties have reached.

An intense debate went on inside the National Board of DP to determine whether the party ought to cooperate with or be independent from the next administration; this is understandable, inasmuch as this move is extremely important for the immediate future. Indeed, the new administration is going to receive a country not only in crisis but also completely done in economically. Such conditions will require harsh, heroic economic measures that will take a foreseeable political toll on both the administration and its potential allies.

It would have been more convenient and without political cost for the DP to have taken an independent stand, the one that can be expressed in that trite cliché "applauding the good and criticizing the bad," thus keeping its distance from the political swamp so that it could later orchestrate opposition to the government along with rightist or extreme leftist populist factions and reap political dividends for 1992.

Within our traditional politics, in which the opposition is seen as the anteroom of government, such a position is realistic. By the close of its term every government has undergone a natural erosion of support that opponents will always try to capitalize on to gain the electorate's favor. Perhaps for these reasons former President Osvaldo Hurtado described as "angelical" or something similar the opposite position, the one advocating cooperation. Nonetheless, we must underscore the lofty sense of patriotism in the decision that the DP has made to cooperate with the new administration, fully aware as it is of the dangers and risks that this entails.

Curing the patient called Ecuador requires intensive care that does not rule out surgery to excise malignant tumors. The finest physicians must be called in to treat the patient that the reconstruction government has left on death's door. The "national volunteer crew" of which Francisco Huerta speaks must be summoned more urgently than ever so that every Ecuadorean can take an active part in this process of building a new republic for the second millennium that is at hand.

The president-elect's decision to open up to the DP, which is the other major Center-Left party, is a wise one. Conditions in the country so demand, not for the benefit of either of the two parties but for the benefit of the country.

Politics is an ongoing challenge, and decision-making will always entail risks and a certain political cost. At times "independence" is not the best path, even if it seems to be the most convenient and risk-free. The parties that want to preserve their virginity can remain academics in which theory, good intentions and the hope of one day coming to power prevail, while the future will always be fought over and decided in the present.

#### **Coalition Scored**

33480159 Quito EL COMERCIO in Spanish  
8 Jun 88 p A4

[Commentary by Santiago Jervis: "The Cost of an Alliance"]

[Text] Popular Democracy, Ecuador's strained Christian Democratic party, has made a surprising and baffling decision to cooperate completely with the incoming administration of the triumphant Democratic Left, which is the name by which International Social Democracy is known here. Contrary to what its maximum leader, former President Osvaldo Hurtado Larrea wanted, the cooperation will not be limited to understandable support in the National Congress in forming a comfortable majority that will at least initially facilitate the moves of the regime whose candidate it backed in the second round of balloting; rather, it will also accept ministries and other functions with major administrative responsibilities.

In spite of all statements to the contrary, the Christian Democratic Party's decision merely reflects a desire to be part of the "troncha," a quaint and very Ecuadorean word that a CFP [Concentration of Popular Forces] activist used in 1982 to describe the desire of politicians to share in the postelection distribution of bureaucratic spoils. More simply put, "troncha" means the use of the alleged right of those who have cooperated in an election campaign, to receive as compensation a post in government in the event of victory. (The slow and antiquated Dictionary of the Spanish Language of the Royal Academy has, of course, not included this eloquent Ecuadoreanism in its 1984 edition...)

What will the cost of this alliance be? For Popular or Christian Democracy it will obviously be the joint responsibility in the new administration's decision-making on several delicate matters, especially economic matters. Moreover, these decisions will have to be made practically as of this coming 11 August if they want to prevent widespread chaos or breakdown in the domestic economy. For example, eliminating subsidies such as on gasoline can no longer be put off, especially if wages are boosted without appropriate financing to please unruly white- and blue-collar workers. According to the technicians, what the National Congress is proposing is not enough to finance even one-sixth of the cost of a raise, and the gap will be infinitely wider if they want wages boosted not to a minimum of 21,000 sucres a month but to 35,000, as the FUT (Sole Workers Front) is suggesting.

Where to obtain the funds to cover the shortfall? The Central Bank's printing press has to be stopped urgently; otherwise inflation will devour ID and DP together, no matter how united they are in their honeymoon, and the entire country along with them. Consequently, the only option will be to boost gasoline prices; this, moreover, has proven to be the most direct and quickest way of raising revenue for the treasury. Such an increase, which the ID-DP fought during the 4 years of this waning administration, is openly unpopular, however, and will be even more so owing to the psychological impact of accelerating inflation due to profiteering. It is touching that DP has decided so compassionately, like a good Samaritan almost, to help ID bear such a heavy cross.

But there are other difficult burdens and crosses to bear. The freeze on electricity rates is absurd from any angle that it is viewed. This utility will simply keep on posting a deficit until it goes under unless the only realistic solution is adopted: getting rid of this incomprehensible subsidy, which will moreover stop serious lending agencies like the IDB or the World Bank from granting any more loans to expand power-transmission grids or to build and complete hydroelectric power plants. Will the projects under way be shut down, will the existing plants deteriorate, will the nation slide back in this area as well to the Middle Ages, to candlelight, to the enchantment of the bucolic and uncontaminated life that begins with sunrise and ends with sunset? ID helped to censure a fine energy minister of the DP administration because he boosted electricity rates. Now, under the alliance, it will have to take joint responsibility for an inevitable adjustment of the same rates, because otherwise the system will collapse.

But it will also have to begin the great nationwide elimination of other subsidies, which are the legacy of the past decade's petroleum-paved path of least resistance and which are eating away at the national economy through inflation, the sum total of all the mistakes and all of the inefficiency in this area. If DP is going to control the energy field, it will have to halt the pseudo-union abuses of CEPE [Ecuadorian State Petroleum Corporation] and INECEL [Ecuadorian Institute of

Electrification] and forget the anathemas about a hypothetical overproduction of oil, which were fine in opposing the current administration but will be very bad if it keeps on bandying them about once it has or is sharing power. Furthermore, the collaborationist party will have to share in Ecuador's probable withdrawal from or temporary dissociation with OPEC if the organization does not want to keep on acceding to our never ending request to produce more than the established quota of 210,000 barrels a day. We now produce more than 300,000, but the deadline for returning to the normal level is September. But Ecuador needs to produce not just 300,000 but a great many more barrels a day, because otherwise this idle country will be left without an income. And because the investments in search of reserves have to be justified by extracting and selling more when reserves are found, as otherwise efforts in this direction would make no sense.

But above and beyond these and many other serious responsibilities that will have to be assumed exclusively by the party and its victorious candidates and perhaps by smaller parties with truly kindred ideologies, but not by DP, we do not understand how this major group can suddenly lose its historic perspective and embark on this collaborationist caper at the risk of endangering its chances to be the logical alternative in 1992. After all, the new administration arrives with all of the strength of a wide margin of victory and derives from the most solid political party and from an almost two-decade long struggle with noteworthy partial victories. In no respect is the situation now comparable with that of 1981, when DP asked ID to collaborate and was denied. Back then, Osvaldo Hurtado was replacing a suddenly deceased chief executive, came from a new political party and did not himself have significant political experience.

Moreover, is the assertion that DP and ID are both Center-Left true? Historically, DP is just the traditional Conservative Party spruced up and modernized, just as ID is with respect to the traditional Ecuadorian Liberal Party. The Liberal Party was much condemned, and rightly so, for having allied itself with the Social Christian Party in the 1984 presidential elections. Like condemnation is in order now for the odd alliance between DP and ID, which also thwarts or postpones the great national objective of putting Ecuadorian society on the road to the ideal of a two-party system, one on the Center-Left and the other on the Center-Right, plus all of the other miniparties that people might want in a solidly structured democracy. But with ID and DP in the same boat, what road are we to take in 1992? The road of eternal populism perhaps?

#### **Fuel Prices To Rise**

33480159 Quito *EL COMERCIO* in Spanish  
8 Jun 88 p A3

[Commentary by Miguel Rivadeneira: "A Challenge to Popular Democracy"]

[Text] A challenge awaits Popular Democracy now that it has agreed to cooperate in the difficult task of governing during the incoming administration of Democratic Left President-elect Dr Rodrigo Borja as of this 10 August.



As can be gathered from the ID proposal, DP activists will be sharing responsibilities in major areas of government.

One of these areas will reportedly be energy, in the knowledge that the government will have to take such inevitable steps as boosting fuel prices and resuming the steady rise of electric power rates.

The outgoing administration of Social Christian President Leon Febres Cordero has reiterated several times that under no circumstances would it boost fuel prices upon leaving office; on the contrary, it decided to suspend the steady increase in electricity rates, which further complicates the country's economic future.

Analyses of the economic situation indicate that "gasoline in Ecuador is less expensive than in other countries of the region" and that "this is presumably one of the reasons for the Ecuadorean economy's serious budget deficit." Therefore, "in the immediate future government spending will have to be cut and revenue will have to be increased by raising taxes and, in particular, the prices charged for public services such as fuels."

As we know, former President Osvaldo Hurtado outlined the country's serious situation during the meeting of the National Board of DP last Saturday, during which the party resolved, in a divided vote, to cooperate with the next administration.

Nonetheless, the faction headed by former presidential candidate and former party president Julio Cesar Trujillo put forth several arguments. Several of them were logical, and one held that if they worked hard during the

second round of balloting for the ID presidential candidate, Rodrigo Borja, it stands to reason that they should share responsibilities in the next administration.

The incoming ID administration will undoubtedly be taking inevitable steps to deal with the current economic situation; nonetheless, Popular Democracy will be jointly responsible for them.

President-elect Rodrigo Borja cautioned in recent days during the weekly "get-together" that this newspaper holds that this is the worst time to be governing Ecuador but that one cannot choose a term of office. He then clarified that in the face of the grave economic crisis that the country is going through, if we are called upon to take unpopular measures, we will have no choice and we will ask the Ecuadorean people to understand. In addition, he accused the current administration of seeking to plunge the economy's economy into chaos during its final months and called the situation grave.

In the face of this situation Borja is endeavoring to form a government of national understanding so that others will help confront the economic and social crisis besetting the country. With 2 months to go before his administration takes office, he has achieved good results, gaining the collaboration of parties such as Popular Democracy and thus consolidating his position in the National Congress so as to avoid feuds with the other branches and to share government responsibilities.

The DP's decision has its risks, as do all acts in politics, especially in connection with the 1992 elections. But time will tell. We cannot rule out either that it may emerge stronger, depending on what the next Social Democratic administration does.

<b>EL SALVADOR</b>									
<b>CONSUMER PRICE INDEX</b>									
<b>(Base Dec 1987)</b>									
	<b>1986</b>			<b>1987</b>			<b>1988</b>		
Month	Index	Growth Annual	Growth Monthly	Index	Growth Annual	Growth Monthly	Index	Growth Annual	Growth Monthly
January	291.78	31.70	1.78	381.55	30.77	2.08	484.37	19.08	2.08
February	301.88	33.15	1.79	384.88	31.36	2.08	489.58	19.50	2.08
March	307.92	32.22	2.08	385.48	28.44	2.94	473.18	19.64	2.73
April	315.88	32.73	2.58	408.88	29.38	3.34	488.48	18.03	2.80
Average	333.64	31.94	-	418.56	31.85	-	488.85	19.41	-
*January-April Source: General Bureau of Statistics and Censuses									

**Central Bank Predicts 3-Percent Growth in 1988**  
32480161b San Salvador LA PRENSA GRAFICA in Spanish 1 Jun 88 p 8

#### Statements

[Text] According to statements made by Central Reserve Bank (BCR) officials, it is projected for 1988 that greater growth in production will be achieved, amounting to 3 percent compared with 1988 [as published], a year in which the GDP is estimated to have risen 2.6 percent in relation to 1986.

It is also noted that, this year, the inflation rate will fluctuate between 18 and 20 percent; representing a reduction of at least 5 percent from the amount attained in 1987. Gross private capital formation will reach an annual growth rate of 25 percent.

The BCR report explains that the volume of credit will increase by 600 million colones; an increment the largest percentage of which will be allocated to the private sector. Finally, it is specified that the imports projected for this year will exceed by \$100 million those made in 1987.

#### Significance and Questions

The situation thus described, if it occurs, would be the introduction to a process of economic reactivation, because it would be the second consecutive year of increased production per inhabitant (see vocabulary). The inflation rate would approach the interest rate on 180-day time deposits; the latter, therefore, would start to be a "real" stimulus for the saver. The questions that

arise are: What will the "activator" for this larger growth be? Will exports tend to increase, to finance the increment in raw material imports? Will it possibly be greater foreign aid that will compensate for the external trade deficit? How will this deficit be financed to ensure a lower inflation rate? What will the mechanisms for credit selectivity be?

2909

#### Foreign Debt Analyzed

32480161a San Salvador LA PRENSA GRAFICA in Spanish 3 Jun 88 p 8

[Text] According to statements made by officials of the Central Reserve Bank, the country's foreign debt has declined by \$108 million during the past 2 years, posting a balance of \$1.872 billion; a performance which, in itself, is a favorable financial result in the environment of socioeconomic crisis that has typified the country over the past 8 years.

When the behavior of that variable is analyzed in a more detailed and complete context, a certain amount of uneasiness arises. In the first place, the low percentage of the private sector's debt (6 percent), compared with that of the public sector (70 percent), stands out in the structure of the aforementioned balance. If that structure is compared with the one prevailing in 1979, some interesting variations appear. In fact, the private debt accounted for 37 percent; the public debt, 42 percent; and the banking system debt, 21 percent. Hence, from a longer chronological perspective, the cumulative reduction comes substantially from the payment of the foreign debt contracted by the private sector during previous

years (\$228 million in absolute terms), which has been offset by the percentage increase in the foreign public debt, which rose by \$365 million for the same period. Although much of the latter was contracted under favorable conditions (in terms of deadlines, interest, and grace periods), the fact is that this is a kind of advance payment, with interest, using future foreign currency receipts.

The banking system, which is the one that has absorbed the lack of financing that had previously been procured directly by the private sector, has increased its balance of \$193 million to \$448 million; an increment that has been largely influenced by the short-term debt contracted during the period in question, because in 1979 all that existed was the medium- and long-term debt.

2909



## **MBPM Rejects Jones' Charges; Gairy Wants U.S. Troops**

### **MBPM Statement**

32980178a St Georges *INDIES TIMES* in English  
11 Jun 88 p 4

[For a brief CANA report on this Maurice Bishop Patriotic Movement Statement, see page 7 of the 14 June 1988 Latin America DAILY REPORT FBIS-LAT-88-114]

[Text] On behalf of our Party the Maurice Bishop Patriotic Movement (MBPM), we feel duty bound to respond to the disappointingly false and deceitful statements made by the Hon Ben Jones Minister of External Affairs in his address to the nation on Friday night 3rd June 1988 in his attempt to justify government's refusal to allow certain persons to enter our country to attend the first Convention of our party held on 28-29 May 1988.

In our view, this belated reply by Mr Jones coming one week after the successful conclusion of our Convention is nothing but a futile attempt to justify the unlawful, high handed and arbitrary behaviour of Government in refusing entry into our country of a Caricom national, an OECS national, and an African national, and indeed other foreign invitees from the region, all of whom had justified the normal Immigration requirements for entry into our country. Because of the uproar and widespread condemnation that the deportation orders had evoked, locally from our own people, regionally from the major opposition parties, including some governmental ones, and internationally as well, thus exposing the NNP government for what it is—which is nothing but a weak, unstable undemocratic government that is nearing the end of its days, they felt it was necessary to use the cheapest of politics to try to regain the ground that they have lost.

On the question of Libya, our decision to invite a Libyan representative to our Convention was based on the principled relationship that we have enjoyed with the Libyan government and in fact many other countries since the Revolutionary days and which as a party we have continued to maintain. As you know, our policy is a clearly defined one of Non-Alignment. And Libya happens to be one of the countries that gave assistance to help build our International Airport and our party maintains warm fraternal relations with the government and people of Libya. Many Grenadians live and work in Libya and this unjustified attack on Libya will have no effect since the Grenadian people know the truth about Libya.

Mr Jones' rantings and ravings about Libya were uncalled for and totally unwarranted, and misleading because our party had not received any confirmation from the Libyans that they were going to attend our

Convention. We had made no visa application to government on their behalf, so you see Mr Jones' verbal attack on Libya was nothing but an attempt to use the dirtiest of tactics in a most opportunist way to confuse the minds of Grenadians and as a fig-leaf to cover up the unprincipled and disgraceful actions that they had taken in deporting people from our country.

This once again demonstrates government's puppet nature and their desire to please their foreign masters based only on the negative propaganda about Libya that come from the U.S. and some Western countries.

Additionally, it shows that our government is out of step with the overwhelming majority of countries of the UN attested to by their miserable and shocking voting record in organizations like the UN and OAS, always voting along with the U.S. against mandatory sanctions for the racist Apartheid regime of South Africa and in the OAS for sanctions against Nicaragua—always contrary to legitimate aspirations of the African and Latin American people's.

On the Panama question: we made absolutely no secret about Bro Radix's trip to Panama. In fact the results of the trip were published in our party's organ *INDIES TIMES* specifically the issue volume 4 #38 on Saturday April 9th 1988. For government's information, it was a solidarity meeting with Panama, Central America and the Caribbean and was attended by representatives from some 22 countries including Jamaica, Antigua, Barbados, Dominica, St Lucia, Grenada, Venezuela among others. Our party sees it not only as a duty but as a moral obligation to attend meetings of this nature and to work for and defend the interests of Latin American and Caribbean people. Our position on the Panama issue is a clear one. The issue here is not Noreiga or drug trafficking. The issue in Panama is the right to the ownership of the Canal which belongs to the Panamanian people and the sovereignty independence and territorial integrity of Panama. The alleged reports on radio Moscow that "Grenada the hour will strike again only refers to a book written by eminent Guyanese author Jan Carew—with the same title.

Finally, we consider Mr Jones declarations as an attempt to create a diversion from the real problems facing our nation—high and rising employment, the alarming increase in crime, the increase in use and abuse of drugs like cocaine and crack among our youth, retrenchment, victimization and over taxation of our poor people and in fact government's inability and total failure to resolve these problems.

In its attempt to undermine the results of our successful Convention, government has once again exposed itself bare for all to see—and the negative consequences of its actions can never be repaired by attacks on Libya, Panama, Africa or our own party.

As a party, we will continue to go forward on our feet and not our knees to go forward in the spirit and memory of Maurice Bishop and to struggle in the interest of the poor and working people of our country for bread jobs and social justice.

#### Gairy on 'Communist Threat'

32980178a Kingston *THE DAILY GLEANER* in English 13 Jun 88 p 4

[Excerpts] St George's, Grenada, June 2, Cana—Sir Eric Gairy plans to send a delegation to Washington shortly to seek the return of American troops to Grenada.

The former Prime Minister said the delegation would be led by executive member of his Grenada United Labour Party (GULP) Dr Jerry Seales, and includes fellow executive member Clarence Mahon, and barrister Derek Knight.

His remarks came against the backdrop of a claim made last week by External Affairs Minister Ben Jones that the communists are trying to recover their losses in Grenada.

Gairy said Grenada's island's rugged coastline made it vulnerable to foreign penetration.

"...We need the permanent presence of the United States armed forces in Grenada if we are to live in peace and free from the fear of communist threats", he told CANA.

"Surplus sums of communist money come into Grenada and are being used to gladden the hearts and minds of many of our unemployed youths", he added.

Gairy indicated that a future GULP administration would provide the necessary land to accommodate the installation of a permanent military base for the Americans.

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#### New MBPM Leader Seeks Ties With Barbados' DLP

32980178b Bridgetown *BARBADOS ADVOCATE* in English 2 Jun 88 p 8

[Text] The recently elected leader of the Maurice Bishop Patriotic Movement Dr Terrence Marryshow wants to deepen ties with Barbados' ruling party, the Democratic Labour Party.

According to Mr Marryshow, although the DLP did not respond to an invitation to attend the MBPM's recent convention, he was still hopeful of "more positive things in future" between the two political organisations.

The 35-year-old Cuban-trained medical practitioner, who once headed the late Prime Minister Bishop's personal security, was yesterday speaking to the local media about his party's future at a press conference in Bridgetown.

#### Threatened

The MBPM leader recounted details surrounding the authorities' refusal to allow a number of invitees to enter the island for the convention last weekend.

"That action which the (Blaize) government took was one of fear; they feel threatened. There was nothing illegal about our convention.

"We held a press conference announcing our convention about a month before the scheduled date and gave the government a list of all the guests we planned to invite. We asked the authorities to extend the usual courtesies to the invitees, but they took that list and made it into a 'black list'", he said.

#### Work Force

According to Dr Marryshow government workers were being victimised, prostitution and drug abuse had increased, and about 45 per cent of the work force were out of work.

The MBPM leader also dismissed the "remnants of the New Jewel Movement" which he said were now "condemned to the dustbin of history". [Both quotations as published.]

He described the NJM (the party which ruled during Grenada's four-year revolutionary government) as now being composed of a bunch of power hungry individuals, who due to their lust for power caused the revolution to collapse.

"We are the ones who are really interested in applying the programmes and ideas of Maurice Bishop, and more and more persons, especially the youth, are beginning to realise that we hold the future for Grenada," the political leader stated.

Nevertheless, he admitted that his party's chances of winning next year's general elections were slim.

#### Revolution

"This is because we are now in the process of mobilising support," he said.

Dr Marryshow said that when the revolution came to "a sort of anti-climax" there were many disappointed persons and the scars still have to be healed. However by the '94 elections the party should be better placed to win.

During the interim, the party's convention has pinpointed three areas—the workers, the youth and the women, as keys in mobilising support.

Dr Marryshow expressed further disappointment that the Grenada Government has not permitted him to practice medicine since returning home from qualifying in Cuba.

"It isn't a question of not being properly trained, or not being willing to go through a period of internship; they just flatly refuse. The only excuse they give is 'recent developments'," he said.

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**Increasing Violence Viewed as 'Uncontrollable'**  
*32480153d Guatemala City EL GRAFICO in Spanish*  
16 May 88 p 7

[Text] Guatemala City, 16 May. By our Editorial Staff—Action by those responsible for ensuring the security of our citizenry has, from the standpoint of practical results, been virtually nil, considering that violence thus far this year has proven uncontrollable, and that during the first quarter alone, assassinations throughout the country totaled 196.

According to a report by CIEPRODH [Center for Research, Studies and Promotion of Human Rights], threats, criminal attacks, kidnappings, disappearances, assassinations, summary and extrajudicial executions, and cases of torture comprised a constant throughout the period January-March 1988.

It points out that reports show an ongoing rise in acts of violence, which, in the majority of cases, are committed by unidentified persons who operate with outright impunity, and that 18 percent of these acts have been committed against minors.

The CIEPRODH report cites Guatemala City, Jutiapa and San Marcos as the three cities with the highest rate of violence. Cases of attacks against the right to human life totaled 334 during the first quarter.

Of these cases, 59 percent were outright assassinations committed on the spot where the victim was found. The rest were kidnappings which ended in the assassination of the victim.

Acts of violence against human life and human rights "have shown an upward trend." In February there was a 92 percent increase in recorded cases over the total for January (61 cases), and in March a 156 percent increase over January and 33 percent over the total for February (117 cases).

Most of the assassinations were committed with firearms. The central and western regions registered the highest percentage of acts constituting violations of the right to life and of human rights.

The CIEPRODH report asserts that in each of the months analyzed, assassinations comprised the largest number of cases, amounting to 80 percent of the total in January, 52 percent in February, and 55 percent in March.

Specific cases of assassination "have shown an upward trend." In January they totaled 49, in February 61, and in March 86. Most of these cases—57 percent, that is, were perpetrated by means of a firearm. Cases of torture amounted to 22 percent of the total.

Commenting on the regions where acts of violence occur with the greatest frequency, the central and western regions of the country—that is, those comprising the Guatemalan high plateau—are cited. They are also the regions with the highest concentration of the population. They account for 65 percent of the acts of violence.

With respect to kidnappings, the CIEPRODH report states that 91 percent of those kidnapped have not reappeared, whereas only 3 of the 33 cases have been freed. In 90 percent of the total cases, "the responsibility is attributed to person or persons unknown; in 18 cases the responsibility has been attributed to uniformed persons, and in 17 cases the names of suspects are on record."

The highest percentage of the victims of acts of violence consists of persons between the ages of 26 and 50—approximately 38 percent. Persons between the ages of 18 and 25 comprise 25 percent of the victims. And a high percentage of the acts of violence being committed (or 18 percent) are being directed against minors.

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**Proposed Bill Would Provide for Expropriation of Idle Land**  
*32480153a Guatemala City EL GRAFICO in Spanish*  
21 May 88 p 11

[Article by Bernardo Solares Jr.]

[Text] Guatemala City, May 21—The draft of a proposed bill that provides for the expropriation of idle lands at the initiative either of the INTA [National Agrarian Transformation Institute] or of the peasants interested in working them, regardless of whether the owners are paying the taxes due on those lands, has been submitted to the Congress of the Republic by the INTA.

The proposed reforms to the Agrarian Transformation Law, insofar as concerns idle lands, were drafted by the INTA "with the object of achieving an effective and more realistic application of all provisions relating to the tax on idle lands," and the proposed bill was received by the legislative body's Agriculture Committee around the beginning of April.

There is no confirmation, however, that this document has, as yet, the full status of a bill. This would require the Executive branch to officially introduce it to the Parliament.

According to the president of the INTA, the following are among its most salient aspects:

- 1) It requires that proprietors of lands whose areas exceed one caballeria file sworn statements as to the idleness of those lands.

2) It raises the tax rates, considering that the present ones are too low with respect to current prices of land.

3) It prohibits the negotiation of rural farms if the owners are not free and clear of tax obligations with respect to them or certified to be not subject to such tax.

4) It empowers the INTA to take coercive economic action to collect taxes, surtaxes and related penalties.

5) It rescinds two articles relative to cases of sale or leasing of idle lands as a form of disencumbrment.

"Idle lands are understood to be those that lack crops or whose yield of livestock is below the respective regulatory standard, and, in general, those that remain abandoned or are being inadequately worked, or whose yield is deficient, considering their area and related conditions."

"To establish standards of livestock yield, account will be taken of the livestock property as a whole, including that held by the owner as well as that in the hands of tenant farmers, employees of the farm, and those exploiting grazing rights for the account of third parties..."

"Privately owned idle lands will pay an annual tax based on their classification, in accordance with the scale to be established by the regulatory authorities and with the following schedule of tax rates:

- a) First class land: 20.00 quetzales per hectare.
- b) Second class land: 15.00 quetzales per hectare.
- c) Third class land: 10.00 quetzales per hectare.
- d) Fourth class land: 5.00 quetzales per hectare.
- e) Fifth class land: 2.00 quetzales per hectare.

(One caballeria equals approximately 44 hectares).

"Lands classified as idle may be expropriated, even though the respective tax is being paid on them, at the initiative of the INTA or at the request of peasants interested in acquiring them for the purpose of farming them."

"To institute proceedings toward the expropriation of idle lands, it is not necessary to certify as to their utility and necessity in the public interest, the sole requirement being failure on the part of the holder to have put them into production during the period that has been granted to him or her or it to this effect."

### INTA Transfers Lands to Chimaltenango Peasants

32480153b Guatemala City DIARIO DE CENTRO  
AMERICA in Spanish 13 Apr 88 p 5

[Text] In public ceremonies held in the department of Chimaltenango last Sunday, Engineer Nery Samayoa, president of the INTA [National Agrarian Transformation Institute], transferred to their new owners hundreds of titles to lands.

In the locality designated Rejon II and III, he turned over 402 such titles to as many heads of families, entitling them to ownership of the parcels they will be farming intensively with the technical and loan assistance that is to be provided them by the various institutions of the agrarian public sector.

The government of the republic was represented at these ceremonies by the governor of the Department of Chimaltenango, municipal authorities, and delegates of the INTA and other agencies and institutions of the agrarian public sector.

Also present were the regional heads of the INTA, who were given the task of working towards the integral development of hundreds of agrarian families which, with their parcels, have been handed their first step towards their redemption.

At the departmental capital of Chimaltenango, 17 additional titles were transferred to an equal number of poor families.

The INTA, according to a release by the Institute's office of public relations, is preparing an intensive program of land transfers (farms being bought from their owners) and transfers of titles to lands, in ongoing implementation of the plans that have aided thousands of peasants throughout the country.

At the inception of its term as Guatemala's first Christian Democrat Administration, those of its officials concerned drew up and introduced the document "Bases and Strategies of the Farming and Livestock Sector," discussing alternative approaches for dealing with national farming and livestock production and productivity. This document has served as a basis for the implementation of policy by the institutions that form part of the public sector's involvement in the farming, livestock and food industries, as well as a basis for the latter's accommodation with the private agricultural sector. The policies that have stemmed from this adjustment of differences have produced positive results—as much for the small as for the medium-sized farming and livestock producer, and for the consumer sector as a whole.

**10,000 Caballerias To Be Distributed to Peten Peasants**

32480153c Guatemala City EL GRAFICO  
in Spanish 17 May 88 p 4

[Text] There will be no expropriation of lands in Peten, the minister of agriculture, Engineer Rodolfo Estrada, has stated, but rather a recovery of parcels that were sold to private individuals who have not paid for them.

The minister explained that previous administrations sold parcels of land measuring 1 caballeria to peasants for only 300.00 quetzales, requiring a down payment of 30 quetzales, and the rest to be paid in annual installments. But even so, many have not paid for them.

Therefore, he added, the government has moved to recover them. The minister estimates that these lands probably represent a total of some 10,000 caballerias, and that this figure could actually be as high as 20,000 caballerias. But, he added further, they will be distributed, through the INTA, to peasants who will really work them.

In another context, the minister of agriculture stated that lumbering concessions granted in Peten will be reviewed. He finds that from analyses that have been made, it is important that Peten's natural resources be safeguarded and properly used to the country's best advantage.

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**Manley Describes Planned Relations With Cuba**  
32980180a Kingston *THE DAILY GLEANER* in  
English 3 Jun 88 p 1

[Text] Miami, June 2, AP—"We're quite clear we would have diplomatic relations with Cuba as part of the Third World, part of the Hemisphere, part of the region, etc. But we do not ever intend again to allow the relationship with Cuba to become internally divisive or a source of trouble with Washington."

This is the assurance that Michael Manley, the Democratic Socialist opposition leader, has given financiers and scholars here.

"We've had many discussions about this with the State Department, and I don't anticipate it's going to be a problem," said Manley, who blamed U.S. economic hostility and CIA activity for undermining his government, in his 1982 book: "Jamaica: Struggle In The Periphery." Seaga broke relations with Cuba in 1981.

"The main problem where Cuba was concerned was that as our relationship developed and the pressure was put on us, we allowed ourselves to become irritated and to become defiant," Manley said.

Asked what communist Cuba can offer his nation, Manley replied: "Nothing in any direct sense. Their model of economic development is a Marxist-Leninist model, and we're firmly rooted in parliamentary democracy, human rights, rule of law and the private sector. These are so vastly different it's hard to consider what one can contribute to the other."

His return to power would not mean a repeat of the tumultuous policies that marked his leadership in the 1970s, he said.

Manley, 63, will lead his People's National Party in elections this year against the Jamaica Labour Party of Prime Minister Edward Seaga, an ally of U.S. President Ronald Reagan who has rebuilt the economy around trade and tourism.

Seaga defeated Manley in 1980 with the economy deteriorated and tensions high over the heavy involvement of Cuba and radicals in the Manley government.

But Manley, calling himself more mature and wiser after years of analyzing his government's failings, has met in recent years with Vice President George Bush, Secretary of State George Shultz, other U.S. officials and Jamaican and international business leaders to outline his plans for a new approach.

"I think that what happened then was that a situation was allowed to escalate that should never have happened," Manley said in an interview Tuesday.

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**Manley, in Barbados, Comments on Political Situation**

32980180b Bridgetown *SUNDAY SUN* in English  
12 Jun 88 p 14

["Edited version" of interview with Michael Manley, leader of Jamaica's People's National Party, by reporter Chelston Lovell, in Bridgetown on 9 June 1988]

[Text] Q: What kind of mood do you sense in the air about the coming general elections?

A: There's a sort of quiet air of expectation about the upcoming general election. I think most people would like it to come quickly and get it over with. But I think more importantly there's a huge feeling throughout the country that the most important thing is for it to be peaceful. There's a mood for peace and I believe that's very good.

Q: How far advanced is the peace pact between Prime Minister Edward Seaga and yourself in seeking to bring about peaceful elections?

A: It has gone quite far. There's been a lot of discussions of a joint committee of the two parties and Mr Seaga and myself have had a number of direct talks; I think it's going to have a positive effect. I hope we will be able to finish all of that quite soon.

Q: Are you saying therefore there isn't likely to be a similar situation to the 1980 elections when nearly 800 persons were killed in election violence?

A: No, there won't be. We have certainly worked for several years to try to play our part in contributing to a completely different atmosphere and a peaceful atmosphere. I think there's a recognition by both sides that any continuation or repeat of that would really harm the country in a most terrible way.

Q: Do you have any regrets about not having contested the last general elections?

A: No, none at all. Most people in my party feel that is the wisest thing we ever did, for the very simple reason that that election was nothing to do with short notice. It was to do with gross breach of agreement about electoral reform and trying to hold an election on a voter's list that was virtually non-existent. It was out of date, a farce, and our feeling was that if we collaborated with that there was no guarantee of ever having another proper election in Jamaica again.

Q: What then has been the advantage of your party or the country of not contesting the election.

A: The proof of the pudding is in the eating in that after we made our peaceful but dramatic protest of boycotting it created such a peaceful shock to suddenly realise that you cannot take democracy for granted. Under public

pressure then every element of the agreed electoral reform is now in place; the voters' lists are as they should be, they are absolutely up to date and we feel what we did may well have been the decisive factor in ensuring that Jamaica now has a proper democratic system.

**Q:** Having just undergone a major medical operation how prepared are you mentally and physically to assume the mantle of leadership if your party wins an election called this year?

**A:** The operation was a great success and I am in marvelous shape. I've been very lucky but I think I am really fit. I know I feel fine so I am certainly physically and mentally ready.

**Q:** In recent polls by respected pollster Professor Carl Stone your party was favoured to win the election. How prepared is the People's National Party?

**A:** We are very well prepared. We have all our candidates chosen. We have sorted out our policies and our programmatic platforms are all settled. In fact we are in the process of announcing them to the country now. A couple weeks ago I presented our economic programme to the country and today I am going home to announce a human resources development programme. Then I have two other presentations. It's all very settled. I've never seen the PNP in such a state of internal unity and clarity about what it thinks it ought to do.

**Q:** What do you then see as the major challenges facing you should you become Prime Minister.

**A:** First of all I think it would be very important to see if we can modify the macro-economic model to create more stimulus to the more productive side of the economy. There has been growth to the services side of the economy, the trading side and of course tourism but the productive side has been very sluggish and I think that's one important priority.

A second one is to see how we can reverse the major decline in education and health which is a very serious problem and a third one is to try and work with our CARICOM colleagues to re-inject a dynamic into the CARICOM processes and the integration processes in the region. There is also the problem of the struggle with drug trafficking, which is a tremendous problem that threatens everything in Jamaica.

**Q:** How do you think the drug problem which has grown so large ought to be tackled now?

**A:** I think we have first of all to work with a high degree of cooperation with all our neighbours in this region. We have to do everything in our power to improve our technical capacity, such as our ability to make interdiction and things of that sort that deal with the supply side of the problem.

But we feel that if we cannot at the same time deal with the demand side of the problem that we are just fighting a losing battle. We are to this end thinking in terms of massive public education with major mobilisation in the school system, using teachers, parent teachers associations, community organisations and service clubs to try to get all the elements of society including the church to put this at the centre of an agenda of public education about the dangers of drugs and drug abuse.

We are also very concerned that the United States is the biggest market because of the huge demand there. We are hoping that the American system will begin to respond to some of the challenges that Jesse Jackson has posed, in which he is in effect saying that you have to tackle the drug problem at a major national level to deal with the demand side.

**Q:** There is a school of thought that Jamaican authorities have been reluctant to seriously tackle the drug trade because of the contribution it makes to the underground economy. What are your views on this?

**A:** That's not true in Jamaica at all. Both political parties in Jamaica and the leadership have recognised that we are facing a dagger at the throat of the whole society. I am quite clear about that.

**Q:** Is there a likelihood of a PNP government legislating marijuana as one way of dealing with the drug problem?

**A:** No. I do not think that can be on Jamaica's agenda at all. What has happened is that marijuana has become completely entangled with cocaine in the major structure of international crime. There's just one way you can separate ganja from cocaine now because the whole thing has got caught up in a single network of international criminal activity completely dominated by the most ruthless criminal forces I think the world has ever seen.

**Q:** Your style of politics has been branded as left wing and as such received fairly widespread criticism through the Caribbean. Would you carry on in that same vein or do you believe you would have to make a compromise?

**A:** We have dealt with that in a very simple way by making very clear what is the programmatic platform to which we are committed and which we are going to follow. This is in writing; it is in public discussions and debates and we ourselves have looked at our experiences in office and have come to basic conclusions about the kinds of policies we think are going to work in Jamaica and our dealings with the Caribbean. They are frankly more pragmatic, less doctrinaire and less theoretical and I think they can work better.

**Q:** Do you currently enjoy cordial relations with the Caribbean leaders?

A: I think I get on well with the ones that I now. I know Mr Robinson well, President Hoyte, Mr Sandiford, Mr Bird obviously from many years ago, Mr Compton. One or two I have barely met or not met at all but if it is my responsibility I look forward to working with them on the basis of mutual respect.

Q: What do you think should be the major concern of CARICOM leaders today?

A: Anything that deals with any hindrances to the flow of trade in the region always has to be top priority. I think also the time has come when we have to look at the institutions that can stimulate the integration process, of which I think the most important is the creation of a Caribbean Stock Exchange.

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### **Manley Airs PNP Trade, Other Views; Criticizes Seaga**

#### **Foreign Exchange Policy**

32980174 Kingston *THE DAILY GLEANER* in English  
26 May 88 pp 1, 3

[Text] A New People's National Party administration would continue the current bi-weekly foreign exchange auction operated by the Bank of Jamaica, Mr. Michael Manley, president of the PNP, said yesterday.

However, this system of accessing foreign exchange which has been operating over the last three years, would be subject to "fine tuning", Mr. Manley told the first in a series of presentations on the PNP's policies, at the Wyndham Hotel, New Kingston.

Mr. Seymour Mullings, spokesman on finance, explained that fine tuning would mean regulating the auction to give priority to providing resources for imports required by the productive sector.

He said it would not be operated as it is now with persons needing resources for importing consumer goods being placed on an equal footing with those within the productive sector.

Mr. Manley told the audience-made up of party officials, supporters, and members of the diplomatic corps that the PNP was not going to pretend that everything that had happened in the last seven or eight years ought to be changed, merely because they were not responsible for introducing them.

"It is a matter of common sense to build upon that which is sensible and has worked," he declared.

But there are many things which Mr. Manley would like to see changed to increase production and improve the availability of foreign exchange resources.

Among these are what Mr. Manley described as a "reckless" import policy, which caused adverse balance on visible trade to run at US\$3.8 billion between 1981 and 1986, not making Jamaica one of the most indebted countries in the world.

"It is a fact that our situation is now substantially worse than it was in 1980," Mr. Manley said.

He called for proper coordination of the network of Trade Commissioners and other agencies overseas so that they could better promote the export strategy aimed at market penetration.

The PNP would introduce the Retained Account system for all businesses earning foreign exchange and this would be operated by the Bank of Jamaica.

Mr. Manley said the PNP would open windows for special foreign exchange accounts of Jamaican nationals based overseas, as he feels this would provide significant investment capital.

He said the system would allow for easy conversion of this money, attractive interest rates and easy withdrawal.

The commitment to self-reliance practised by the PNP in the '70s remains a central conviction of the PNP today, he said.

"It is ridiculous to use raw material from abroad if you can find them here, it is ridiculous to depend on technology from abroad if you can develop it here, it is ridiculous to depend on experts from abroad if you have them locally.

"And therefore we are very unapologetic and very confident that we are correct and the present policies are wrong, the present policies are founded in the belief that if you can get something conveniently without effort from abroad, why bother. I reject that notion totally, you must bother, you must work, you must struggle to develop your own capacity."

The PNP wants this changed. Mr. Manley said it was going to make a major effort which could mean the revitalization of the Scientific Research Council, to make a closer marriage between the practical needs of industry and how these institutions can serve.

He re-stated "an abiding commitment to regional economic development" calling for the setting up of a Caribbean Stock Exchange to encourage the rational development of the ownership of production and of specialization.

The PNP will present the second in the series, on Human Resources, in two weeks, the third in Montego Bay and the fourth in Mandeville.



These meetings are called the precursor to the Election Manifesto which the PNP say will be published only when the elections are announced.

#### Comment on Election Delay

32980174 Kingston *THE DAILY GLEANER* in English  
1 Jun 88 p 3

[Text] Kingston, Jamaica, May 31, CANA—Opposition political leader Michael Manley on Tuesday described as "irresponsible comedy" Prime Minister Edward Seaga's threat to delay general elections if Manley did not agree to an early policy debate.

He said Seaga's action was spurred by the latest public opinion poll showing that the ruling Jamaica Labour Party (JLP) continued to trail the opposition.

Manley also stated the People's National Party's (PNP) position that it would only debate within the context of an agreement to prevent violence during the election campaign and after Seaga has announced the election date.

"The debate proposed is between two people about policy published in documents," Manley told reporters.

"Peace, however, is about whether people are going to be alive or people are going to die. That's why I believe that people's lives are more important than Mr. Seaga and myself preening ourselves or not before a television camera," the PNP leader added.

The two parties are working on a peace agreement to prevent the kind of violence that engulfed the 1980 election campaign when hundreds died.

In weekend remarks Seaga suggested that he would take the election timetable to the limit, unless the PNP agreed to the debate.

"The longer they wait for the debate, the later the (election) date will be," the Prime Minister said Saturday night as he was being feted by his West Kingston constituency on his 58th birthday.

He declared at a JLP rally Sunday night: "The longer the delay for the debate, the longer the wait for the election."

The private sector and interest groups have supported the idea of a debate and Seaga's JLP has been goading the PNP on the issue.

Seaga gained a second five-year term in the general election of December 1983 which was boycotted by the PNP.

The constitutional life of the present one-party parliament ends on January 10 next year—the fifth anniversary of its first sitting.

An opinion poll published this week showed the PNP still significantly ahead with a 48 per cent support among the electorate, while the JLP had slipped a point since January to 35 per cent.

The poll came against the backdrop of a five per cent economic growth in 1987 and expectation of a similar performance this year.

It was the poll finding that really concerned Seaga, Manley told reporters.

"The suggestion that this (threatened) postponement of the elections is because of the issue of the debate is a transparent trick to hide the fact that they are obviously not anxious about holding them," Manley said.

The PNP leader, while acknowledging the Prime Minister's right to use the three-month grace period, said the Constitution contemplated the extension only in extraordinary circumstances.

"The PNP would therefore take gravest view of any attempt to try to exploit this provision," said Manley, adding that it would lead to "grave consequences" for the country.

/06662

#### Mexico Offers Line of Credit for Goods, Services

32980180c Kingston *THE SUNDAY GLEANER* in English  
5 Jun 88 p 2A

[Text] Mexico has made available a line of credit to Jamaica which will be used to buy goods and services from that country under the San Jose Accord, a report from the Ministry of Mining, Energy and Tourism has said.

The amount of the line of credit was not disclosed, but sources close to the Ministry said on Thursday that it was offered during a discussion in Mexico in April for Jamaica's reinstatement as a beneficiary under the Accord.

Under the San Jose Accord Mexico and Venezuela supplied oil to certain regional states on terms which allowed them to use part of the payment as a concessional loan to finance development projects.

At the April 12 meeting in Mexico City Senator Hugh Hart, Minister of Mining, Energy and Tourism, made a request for an increase in the Jamaican oil contract quota. Jamaica had fallen short on some of the terms of the Accord and had to forfeit most of its benefits.

The sources at the Ministry of Mining said Mexico was offering the line of credit because it wanted Jamaica to provide technical assistance in identifying and developing bauxite reserves.

They stressed that it had not been decided exactly what Jamaica would get as a result of the deal, under which a technical team is to visit Jamaica by the end of June to view this country's bauxite operations, and thereafter, a technical team from Jamaica would go to Mexico to inspect what they have and to explore the possibility of providing the assistance.

Senator Hart, and seven officials are expected to leave here today for Mexico, where the Minister will meet with his Mexican counterpart, Mr Fernando Hiriart Calderama, to sign an "Aide Memorie" on Wednesday.

It will be an agreement for the development of the Mexican bauxite industry in which Jamaica would pro-

vide the technical assistance. The agreement is expected to reflect other areas of co-operation between the two countries.

A report from the Ministry of Mining said the Mexicans had confirmed that they had produced more than 500 tons of caustic soda per annum but had used it all for domestic purposes. The possibility of supplying Jamaica on a long-term basis will be discussed.

Senator Hart and party will be in Mexico for five days. An invitation was reportedly issued to Minister Hiriart to visit Jamaica. The date will be agreed upon during Mr Hart's visit to Mexico.

/9274

**Do you approve or disapprove of Alan Garcia's  
actions as president?**

Responses in %	Total	Socioeconomic Level				Sex		Age		
		A	B	C	D	M	F	18-24	25-39	40+
Approve	43	18	40	48	52	40	46	39	47	42
Disapprove	48	74	49	42	43	51	45	48	47	49
Undecided or no response	9	8	11	11	5	9	9	13	6	9
Total--100%	608	78	154	214	162	300	308	184	243	181

**Poll Shows Lack of Confidence in Garcia**  
33480171a Lima CARETAS in Spanish  
27 Jun 88 pp 22, 75

[Text] The last Apoyo survey, that corresponding to June, indicates that the level of approval of Alan Garcia's presidential administration remains above 40 percent, but the level of disapproval has now reached 48 percent.

On this basis, Apoyo has calculated a net approval index, which for President Garcia is -5 percent, while that for brand-new Prime Minister Arnando Villanueva is -7 percent (31 percent approval and 38 percent disapproval), before beginning his duties, and those for the new ministers, Cesar Robles (Economy) and Guillermo Artenga (Industry) are -16 percent and -2 percent, respectively. The -53 percent (20 percent approval and 73 percent disapproval) seen for Lima Mayor Jorge del Castillo is, in any case, more reasonable.

On the other hand, more people approve of Luis Gonzales Posada, the new foreign minister, than disapprove (35 percent approval and 32 percent disapproval = +3 percent).

The following are some of the other June figures:

—When asked if they have faith in what Alan Garcia says, 57 percent said no and 35 percent yes. Villanueva and Alva also have negative credibility indices, and only Vice President Luis Alberto Sanchez enjoys 59 percent approval and 32 percent disapproval.

—Only 24 percent believe that the Villanueva cabinet will last until the end of the government term.

—At the present time, 61 percent believe that the economic situation will deteriorate within the next 6 months, while in June of 1987, 33 percent were that pessimistic.

—Alteration of the constitution to allow the reelection of Alan Garcia is not favored by 71 percent of those polled. In April of 1986, 64 percent favored reelection. Meanwhile, only 34 percent believe that if Garcia were to decline to run as a candidate in 1990, the election would not be manipulated.

—When asked which of a list of persons should be the next president of the Senate, the winner was Javier Valle Riestra, with 28 percent, ahead of Jorge Torres Vallejo, Guillermo Larco Cox and Romualdo Biaggi.

—For whom would you vote if Luis Alva Castro, Mario Vargas Llosa and Alfonso Barrantes were the candidates in the 1990 election?

Barrantes	34%
Vargas Llosa	27%
Alva Castro	21%
Blank vote	13%
No response	6%

When the same question was asked, substituting Alan Garcia for Luis Alva Castro, there was a virtual tie, with Barrantes enjoying a slight advantage, with 28 percent, over his rivals, with 26 percent each. The Apoyo poll suggests that if Javier Diaz Canseco, of the PUM, were to run for president, he would obtain no more than 5 percent of the votes in Lima.

—Meanwhile, the current mayor of Villa El Salvador, Miguel Azcueta, also of the IU and a moderate wing of the PUM, appears to be the favorite candidate for the office of mayor of Lima, with 33 percent.

Finally, a question was asked about the expectations as to the electoral winner.

—If the presidential election were held tomorrow, who do you believe would win?



IU	41%
APRA	20%
Democratic Front	19%
Undecided	20%

In short, if it were not for the process of reconsideration of the candidates to which the second round may lead, one might conclude—because of the short time remaining, the additional schisms which may develop within the left wing, and the changes which may come about within the Front (such as, for example, the revival of a Belaunde candidacy)—that the IU has already won the next election. But this is dependent on several variable factors.

5157

**Interior Minister Soria on His Antisubversive Policy**

33480163 Lima CARETAS in Spanish  
23 May 88 pp 29-32

[Interview with Interior Minister Adm (ret) Juan Soria Diaz by Laura Puertas Meyer; date and place not indicated; first paragraph is introduction]

[Text] The new interior minister is an unexpectedly talkative man with obvious political savoir faire. Peruvian Navy Adm Juan Soria Diaz, retired, says that as long as the crime of defending terrorism is not on the books, measures will not be taken against EL DIARIO. He also states that his actions as minister will adhere strictly to the law. And demonstrating that he plans to make use of his rights as a citizen, he admitted that if registration in the PAP [Aprista Party of Peru] were to be reopened, he would join.

[Question] The most recent opinion poll by the Apoyo S.A. firm yielded more than surprising results when it asked whether people thought that Shining Path would be victorious, abandon the armed struggle or be defeated. In May 1988, 15 percent thought that it was going to win, while a year ago only 4 percent did. What do you think of this?

[Answer] It reflects great uneasiness among the citizenry because of Shining Path's ongoing, spectacular actions and the wide coverage that the press gives them. It is vital for these subversive groups to maintain a presence in civic life, and this is what the newspapers provide them, to the extreme that some of the media are overt spokesmen for Shining Path.

[Question] Are you talking about EL DIARIO?

[Answer] Exactly, but we respect it because the law so dictates.

[Question] In other words, your office is not going to take any action against EL DIARIO?

[Answer] Absolutely not. Because defending terrorism is not classified as a crime, a charge filed with a judge would not hold up. Not only am I going to oppose any action against this paper, I am also going to provide the necessary guarantees for it to continue appearing as long as the law so allows.

[Question] The same poll asked a question about when subversion will end. The most common reply, 29 percent, was never.

[Answer] Our country has a great many problems that have been around since colonial times, and they are what make possible reactions such as the Shining Path phenomenon. Shining Path's bloodthirsty terrorism must necessarily have a social base, and in spite of the meager funds available this government is channeling its efforts towards improving the economic and social conditions of the masses.

[Question] But this policy has been in place for almost 3 years and is not working. Shining Path continues to grow.

[Answer] I would put this business about Shining Path continuing to grow between quotation marks. Its presence is unavoidable, but it is a long way from there to saying that it is growing. It is thought to be growing, but this is because of its striking, spectacular method of operation.

[Question] In your view, Shining Path has not grown?

[Answer] No. If what we're talking about is steady growth. Shining Path has its ups and downs.

[Question] Isn't it true that subversion has spread on the map?

[Answer] I could tell you, for example, that the presence of the Armed Forces in certain zones is causing certain Shining Path groups to move elsewhere.

[Question] But the zones where the Armed Forces are are Lima, Ayacucho and the Upper Huallaga, and Shining Path remains active there, aside from other zones in which it is also operating.

[Answer] You're taking as an example a tremendously depressed department like Ayacucho. The case of Huallaga is different, and as for Lima, Shining Path acts there because it is more spectacular.

[Question] The sounding board.

[Answer] Of course. For example, the march of Shining Path members through Lima prompted all of the newspapers to criticize the Interior Ministry for having allowed it.

[Question] The fact is that the police did not take action, nor did they during the work stoppage called by the CGTP [General Confederation of Peruvian Workers], and in both cases there was, at the very least, provocation and explosions.

[Answer] First of all I think that the press exaggerated. The Shining Path march was neither that lengthy nor that active. I would rather not comment further because I was out of the country. I would only like to tell you that there is a new cabinet.

[Question] What does it mean for an admiral to head the Interior Ministry?

[Answer] I'm a citizen with an electoral booklet. The thinking was that my experience could be useful without this having any institutional profile, in the sense that we want to militarize the cabinet, as I have read in some magazine.

[Question] Might your presence mean that there could be greater coordination among the intelligence services, which was not the case before?

[Answer] Pardon me, but you're assuming that there wasn't. I have been secretary of national defense, commander in chief of the navy and chairman of the Joint Command and I have worked in full coordination with Minister Salinas, with Minister Barsallo and with Agustin Mantilla. The fact is that we cannot reveal the strategy to be pursued.

[Question] I would like to say something to you in this regard. The experts on counterinsurgency, like Sir Robert Thompson and others, agree that information on the armed struggle cannot be withheld because in the long run, whether they like it or not, citizens are going to be involved and ought to find out what is happening from the representatives of the government itself, instead of receiving a simple communique that conceals more than it says.

[Answer] I'm going to explain. When an incident occurs, for example the recent Cayara case, military information follows a path until it gets to government spokesmen. In contrast, Shining Path infiltrators can convey its own distorted version of the facts through spokesmen or third parties whom it talks to. When the government explains the real situation, it is already working against preconceptions that have managed to sow doubts.

[Question] But there could be other grounds for such preconceptions. As you will recall, the initial reports on the Lurigancho massacre were later denied by the president himself and by the bloodstained outcome, and in the case of Fronton we still do not know exactly what happened nor have culprits emerged.

[Answer] The Fronton incident was one-on-one combat. It was not an onslaught; it was an armed confrontation. In support of this I will cite my 3 dead and 18 wounded. I can also point to the 34 inmates who were recaptured, 4 of whom were dying and received care at the Naval Medical Center.

[Question] But the navy enjoyed a great superiority in weaponry.

[Answer] I had 3 dead and 18 wounded.

[Question] And they had more than 120.

[Answer] A lot of them died when they were crushed by the walls. Don't forget that a well-aimed shot from a bazooka destroyed their arsenal and blew up the building.

[Question] But why didn't and doesn't the government inform the citizenry?

[Answer] It is very difficult. When the Armed Forces are involved in this sort of action, they have to eliminate the hot spot as quickly as possible and with the fewest losses. This means that combat efforts must focus on this target, and the troops in action do not have time to stop and think, step by step, about what is happening and then report on it. That comes later, with the investigations. An investigation is about to conclude right now. When it is over, information will be provided.

[Question] Do you think that the massacre at the prisons was a mistake?

[Answer] I think that the very existence of democracy entails the maintenance of order within the law and the constitution. Therefore, the government must act to preserve this order. The action itself cannot be criticized; perhaps, in a way, the method.

[Question] Aside from this, I was talking about a tactical error, because the thinking was that with the death of such a large group the movement would decline. But this has not been the case. In fact, Shining Path's ranks have been swelled by many relatives and friends.

[Answer] This is the cost of combating subversion. If someone dies, it is part of the combat. If we do not act, the lion devours us.

[Question] In your opinion, should the members of the security forces who commit excesses be punished?

[Answer] Of course they should. Moreover, I want to tell you that a great many officers and personnel are in prison and on trial.

[Question] But since these excesses are not duty-related crimes, they ought to be tried in regular court.

[Answer] First of all, the crime must be proven. Moreover, a member of the Armed Forces or police who is involved is carrying out orders. That is his duty. Furthermore, exclusive [military] jurisdiction is not jurisdiction for impunity.

[Question] So why was Lieutenant Hurtado, who was responsible for the Acomarca massacre, not punished and why, on the contrary, was he promoted?

[Answer] Lieutenant Hurtado's promotion was a bureaucratic matter in accordance with the law. All second lieutenants are automatically promoted to lieutenant at the end of 3 years.

[Question] And what about Commander Alvaro Artaza, "Camion"?

[Answer] The trial continues; the case has not been filed away. Artaza has disappeared. Believe it or not, this is a separate problem.

[Question] Is your ministry going to continue the program of rewards for those who provide information on wanted terrorists?

[Answer] By and large yes, although we are going to make some changes to achieve the objectives that have not been accomplished.

[Question] Do you mean that the program is going to aim at information, not just the search for the leaders?

[Answer] This is one of the changes.

[Question] Would you agree to giving an admitted, cooperative terrorist a new identity, a home and money?

[Answer] Yes. The case could arise that certain guarantees would be given to a detainee in exchange for information. This is feasible because at present many subversives have repented, and we have to clear the way for them.

[Question] In your opinion, should the command of the emergency zone be in the hands of an Armed Forces general, a police general or a civilian?

[Answer] The command has to be in the hands of the Armed Forces. It works in close contact with the political authorities, but the head has to be the one who directs all of the operations.

[Question] As far as your tenure as minister is concerned, do you reaffirm that you will act strictly within the law?

[Answer] Yes. We will not tolerate breaches of the peace or high-handed behavior. We are going to keep the rule of law intact. If a judge orders something, it will be carried out without hesitation.

[Question] A thorny question. If the judge who is hearing the case against the deputy minister in the regular courts finds him guilty, will you hand over the deputy minister?

[Answer] Of course. The judge's verdict will be complied with.

[Question] What is your analysis of Shining Path 8 years after the start of terrorism?

[Answer] I don't think that it is a problem of analysis at this point. I think that if I fail, if someone else in my place fails, we all fail. We have to put our shoulders to the wheel. This is everyone's struggle.

[Question] How many people does Shining Path have?

[Answer] About 5,000.

[Question] And what sort of firepower?

[Answer] As far as I know, Shining Path's arsenal comes from killing military and police personnel. We have not found weaponry of other origins.

[Question] They don't receive support from overseas?

[Answer] There is no proof of this as of now.

[Question] Does it really have a alliance with drug trafficking?

[Answer] I would not call it an alliance but rather exploitation of the peasants in the jungle, making use of the profits from drug trafficking.

[Question] One last question. Do you belong to APRA [American Popular Revolutionary Alliance]?

[Answer] No, but I could, as a civilian. But registration is closed.

[Question] And what if it were reopened?

[Answer] I would sign up.



**Communist-Control Charge Splits Unions in Move To Unify**

32980175 Bridgetown CANA in English  
1422 GMT 17 Jun 88

[Text] Port of Spain, June 17—The militant Council of Progressive Trade Unions (CPTU) has accused "a small clique" within the conservative Trinidad and Tobago Labour Congress (TTLC) of attempting to sabotage moves towards unity within the country's trade union movement.

The CPTU's charge in a letter to absent TTLC President Vernon Glean and in a press statement came after acting TTLC President Selwyn John accused the CPTU of being controlled by communists, fuelling an impasse between the two rival trade union groupings. John had also said on Tuesday that the TTLC could not have unity with the CPTU because of these ties.

The comments came days before Labor Day celebrations here scheduled for Sunday, and as the TTLC was being waited upon to ratify a draft constitution, which was one of the final steps towards dissolving the two umbrella groupings and forming a one new organization with a joint trade union centre.

In the letter to Glean, acting CPTU President Lyle Townsend said he wanted to know as soon as possible if John's comments were indicative of a new mood in the TTLC, which he said the TTLC could have informed the CPTU of out of basic courtesy. Such a decision not to merge with CPTU, Townsend said, would dash the hopes of all workers in Trinidad and Tobago.

In the statement issued at the same time, Townsend said that if some backward TTLC leaders insisted on being what he called anti-working class and anti-trade union unity, the CPTU would use other tactics to achieve such unity.

While John and TTLC General Secretary Carl Tull spoke out against the CPTU in the absence of Glean, who is out of the country, other unions under the TTLC umbrella have stated their intention to seek unity with the CPTU.

Seizing on this apparent split, Townsend said: The CPTU and a few individual units of congress have been pursuing unity, the members of all trade unions want unity and one trade union centre; it is only a small clique of rogue trade unionists that have been denying the legitimate wish of the workers.

I can only view those statements as being mischievous and calculated to embarrass the CPTU and you, as president of the Labour Congress, Townsend told Glean in his letter. Further, they are designed to cause further disunity and keep the two federations apart and continue to deny the workers and trade unions of this country, the formation of one trade union centre, Townsend said.

Labour day is to be marked on Sunday with CPTU celebrations in Fyzabad, South Trinidad. Congress-affiliated unions will hold their activities in Port of Spain.

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**Grenadian IMF Resignee: Trinidad and Tobago Economy Being 'Destroyed'**

32980181 Port-of-Spain DAILY EXPRESS in English  
22 Jun 88 p 1

[Article by Maxie Cuffie]

[Text] The International Monetary Fund is on an "inexplicable drive to see Trinidad and Tobago destroyed economically first, and converted thereafter into a bastion of Fund orthodoxy."

The organisation is "applying intolerable pressures on the Government to take action to negate certain vital aspects of the arrangements, as enshrined in the Constitution of the country, through which the Government functions."

These are some of the accusations made by Davison Budhoo, a Grenadian economist, in his letter of resignation from the organisation dated May 18 this year.

The policy package for Trinidad and Tobago, according to Budhoo, will cause the country to self-destruct and "unleash unstoppable economic and social chaos."

In the first of a six-part letter of resignation from the Fund, being released in series, Budhoo described the international organisation as "a rampaging group of men and women defying, every day, the world's conscience and defacing grossly our own heritage of fairplay, decency and humanity."

Budhoo accuses the Fund of fraud in its dealings with this country and the organisation "manipulated, blatantly and systematically, certain key statistical indices so as to put ourselves (the IMF) in a position where we could make very false pronouncements about the economic and financial performance of that country."

He said Trinidad and Tobago continued to resist the "deadliest medicine" of the IMF "that would put it in a position to enter into a formal standby arrangement with us."

Only last Friday Minister in the Ministry of Finance and the Economy Shelby Wilson indicated that the Government would be making a formal application to the IMF's Compensatory Financing Facility in September this year to offset the loss in revenue resulting from the drop in oil prices.

He reiterated the Government's position that it had no intention of approaching the Fund's Stand-by Facility which imposes harsher conditions.

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**First Month of Presidential Campaign Viewed**  
*33480165a Caracas NUMERO in Spanish*  
*12 Jun 88 pp 20-21*

[Commentary by Manuel Felipe Sierra]

[Text] The first month of the election campaign was shaped significantly by the parliamentary debate on the report by Comptroller Jose Ramon Medina, which served as a means of comparing the strategies of the two principal candidates.

The debate has not ended yet, but it is clear that in the last week the public interest that the discussion had sparked has waned considerably.

All indications are that if former President Luis Herrera Campins finally were to appear before the National Congress—there is no confirmation that he will—expectations would focus primarily on the ex-president's speech.

Democratic Action (AD) would take advantage of the situation to renew its attacks on Herrera's administration, while the Social Christian Party (COPEI)—if it accepts the suggestion outlined by Paciano Padron that responsibility be shared between the governments of both parties—would remain curiously neutral.

If this is the way the debate winds down, COPEI's strategy of emphasizing the theme of corruption in Democratic Action will be seriously weakened.

AD and its candidate early in the game passed a test that they had to face without suffering major damage and at a low political cost.

**Opinion Polls**

Observers are mainly interested in the poll results for the first days of the campaign. Except for the repercussions of the debate, which will not significantly alter the candidates' positions for any reason, in the last 30 days there has been no development important enough to suggest any major changes.

Perez has remained on the offensive in his street demonstrations, with rallies at key points throughout the country reinforced by the formation of organizations and local nuclei to support his campaign.

The AD candidate has also persisted in his contacts abroad with prominent figures and leaders with whom he has ideological affinity. This is an important factor in his claim to be a politician of international scope.

Fernandez has relied almost exclusively on the parliamentary debate, on the premise that some advantage or boost to his campaign might emerge there. His actions in public have not taken the form of major mobilizations, but rather walks and tours of the principal cities.

This picture, which should be reflected in the polls, does not alter in the slightest way the situation that prevailed when the campaign was launched last 2 May. Perez should maintain his lead (15 to 18 points), and although Fernandez may see his percentages rise slightly, this will not signify a recovery for COPEI.

It is perfectly understandable that the COPEI candidate would move to consolidate the traditional electoral base of COPEI and its candidates, but this does not have much of an impact on the lead enjoyed thus far by the Democratic Action candidate.

What repercussions will the first month of the campaign have on the results of 4 December? Can a predominant trend be identified? Could any significant changes take place in the future?

For AD, the basic objective is to maintain its candidate's advantage. Its strategy is based on keeping the percentages (between 43 and 45 percent) that the polls have been revealing for several months now.

If the COPEI candidate does not manage to narrow the lead in the initial months, when the impact of the COPEI offensive would have to be felt, then obviously it will be much more difficult toward the end. That is why AD and its candidate should step up their activity in those areas where Perez is strongest: socioeconomic groups D and E. They must also continue to emphasize Perez' experience and his image as a statesman.

For COPEI, it is absolutely essential that its candidate surge forward in the early months of the campaign. In this way, he would be able to keep alive expectations of a close race, and to galvanize rank-and-file COPEI members who until now have preferred to watch the campaign from the sidelines.

This assessment makes it clear that Fernandez' team must intensify its efforts in the next few days. What resources does COPEI have at hand to ensure that its candidate will perform creditably in the elections? Will Fernandez continue to hammer on the theme of corruption?

Regardless of what Fernandez' campaign team decides to do, there is no doubt that the second month could be decisive in determining COPEI's fate. Two months of campaigning without altering significantly the relative strength of the two forces could weigh too heavily on COPEI in the long run.

**The Others**

There have been no major surprises with respect to the other candidates running against the big two. The Movement Toward Socialism (MAS) and its candidate, Teodoro Petkoff, appear to be in a solid third place without any sort of challenge.



Petkoff, who has gained 3 points according to some preliminary estimates, has carried out an intensive street campaign in the main cities. His publicity campaign has demonstrated technical excellence.

Ismenia de Villalba has also been consistently active, supported by good media coverage. Ismenia's candidacy is beginning to flag, however, for lack of a solid, well-oiled party apparatus.

The other candidacies have not exhibited a great deal of vitality. The People's Electoral Movement (MEP) and the Communist Party of Venezuela (PCV), which are backing former Central University of Venezuela Rector Edmundo Chirinos and can count on the traditional support of orthodox leftists (4 to 5 percent), have not carried out even the minimal activity that had been expected.

Jorge Olavarria is still a viable candidate because of his parliamentary and journalistic activity, but his campaign gives the impression of being paralyzed and unwilling to fight.

The other aspirants—some of them may withdraw before the elections—do not appear to have much of an impact on the development of the campaign. Except for Andres Velasquez (Cause R), who is continuing his efforts in the state of Bolivar, and Alberto Martini Urdaneta of the National Opinion Party (OPINA), who has invested a not insignificant amount in a media campaign, the remaining candidates show no signs of life. Let's hope the second month will be more entertaining and exciting.

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**CTV President on Foreign Debt, Wages**  
*33480165b Caracas NUMERO in Spanish*  
*12 Jun 88 p 21*

[Text] Juan Jose Delpino severely criticized Finance Minister Hector Hurtado and the president of the Central Bank of Venezuela, Mauricio Garcia Araujo, for their attitude toward the call for a restructuring of the plan for making payments to creditor banks.

At the same time, the union leader emphasized the need for a wage adjustment in view of the continued deterioration of the bolivar's buying power. Both these opinions are widely shared in the nation, and are consistent with the country's needs at this time.

Every day it becomes clearer that the country must reopen the debate on the terms of the refinancing. The balance of payments deficit and the situation of the petroleum market do not augur well for the economy's external sector.

At the same time, wage-earners (primarily the middle class) face an increasingly serious and uncertain plight as the cost of living continues to rise.

The assertions made by the Confederation of Venezuelan Workers (CTV) reflect the national sentiment, and are in keeping with the serious and responsible attitude incumbent upon the country's main trade union federation. Once again, Delpino has shown that it is possible to reconcile his position as a member of the ruling party with his responsibility as a union leader who is essentially committed to the interests of his constituents.

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15, Aug. 1988